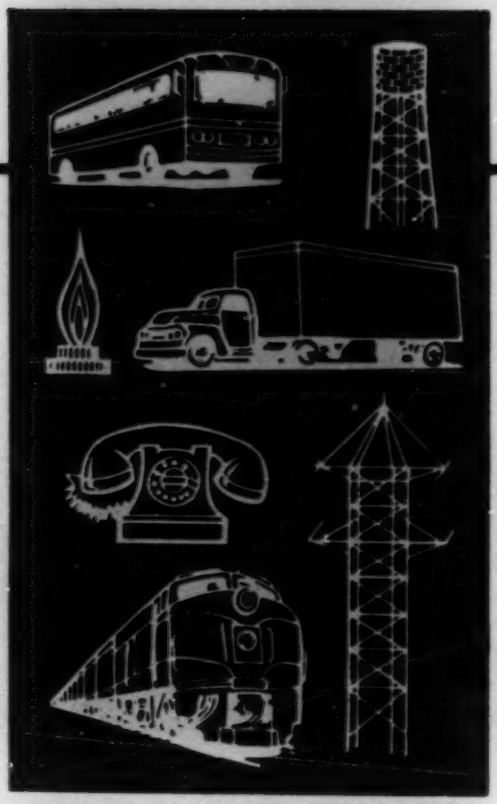

North Carolina Utilities Commission

1989 Report — VOL. XX

Major Activities — April 1988 through March 1989

with

Statistical and Analytical Data Through 1987

LETTER OF TRANSMITTAL

June 30, 1989

The Honorable James G. Martin
The Governor of North Carolina
Raleigh, North Carolina

Dear Governor Martin:

We hereby present for your consideration the 1989 Report of the North Carolina Utilities Commission pursuant to Section 17 of the Public Utilities Act of 1963 as amended in 1977 (G.S. 62-17). The report covers the major activities of the Commission for the period April 1988 through March 1989 with statistical and analytical data for the operations of the utilities through 1987.

Respectfully submitted,

Robert O. Wells, Chairman
Sarah Lindsay Tate, Commissioner
Edward B. Hipp, Commissioner
Ruth E. Cook, Commissioner
Julius A. Wright, Commissioner
William W. Redman, Jr., Commissioner
Charles H. Hughes, Commissioner

Prepared by

North Carolina Utilities Commission
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I. Organization And History

A. COMMISSION STAFF AND ORGANIZATION CHART

There were seven Commissioners and 49 Commission Staff positions as of June 30, 1989. Commissioners are appointed by the Governor subject to the confirmation by the General Assembly in joint session.

NORTH CAROLINA UTILITIES COMMISSION
COMMISSION STAFF
Commissioners and Supervisory Personnel
June 30, 1989

Commissioners
Robert O. Wells, Chairman

Sarah Lindsay Tate
Commissioner

Julius A. Wright
Commissioner

Edward B. Hipp
Commissioner

William W. Redman, Jr.
Commissioner

Ruth E. Cook
Commissioner

Charles H. Hughes
Commissioner

Staff Heads and Directors

Chief Clerk. . . . . .Mrs. Sandra J. Webster
Legal Division . . . . . .Robert H. Bennink, Jr.
Accounting Division. . . . . .Donald R. Hoover
Engineering Division, Electric . . . . . .David F. Creasy
Finance, Statistics, Budget & Planning . . . . . .Joseph W. Smith
Transportation Division (Includes Motor, Rail,
and Gas Pipeline Safety Activities). . . . . .Barbara A. Sharpe

FIGURE NO. 1-1

COMMISSION STAFF - ORGANIZATION CHART
June 30, 1989

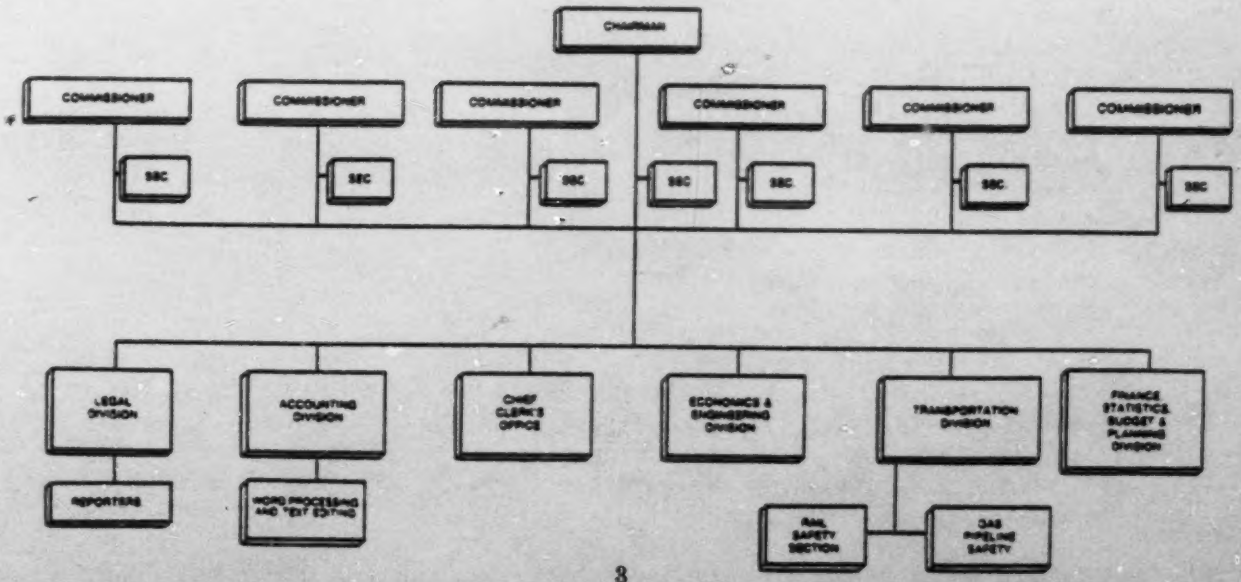


FIGURE NO. 1-1A

NORTH CAROLINA UTILITIES COMMISSION
COMMISSIONERS LISTED IN ORDER OF APPOINTMENT
APPROXIMATE YEARS OF SERVICE GIVEN IN PARENTHESES
(PLEASE SEE NOTE)

* 1. Stanley Winborne (1933-1958)
* 2. F. L. Seely (1933-1940)
* 3. Frank W. Hanft (1933-1940)
* 4. Fred C. Hunter (1941-1955)
* 5. Robert Grady Johnson (1941-1948)
* 6. Joshua S. James (1949-1953)
* 7. Edward R. McMahan (1949-1958)
* 8. Harry T. Westcott (1949-1972)
* 9. Sam O. Worthington (1952-1966)
* 10. Ralph Moody (1955-1957)
* 11. R. Lee Whitmire (1957-1958)
* 12. Clarence H. Noah (1958-1966)
* 13. Richard G. Long (1958-1960)
14. Thomas R. Eller, Jr. (1958-1968)
* 15. R. Brookes Peters (1960-1966)
16. John Worth McDevitt (1966-1973)
17. M. Alexander Biggs, Jr. (1967-1969)
18. Clawson L. Williams, Jr. (1967-1970)
19. Marvin R. Wooten (1968-1976)
* 20. Miles H. Rhyne (1970-1973)
21. Hugh A. Wells (1970-1974)
* 22. Ben E. Roney (1973-1979)
23. Tenney I. Deane, Jr. (1973-1977)
24. George T. Clark, Jr. (1974-1976)
25. J. Ward Purrington (1975-1977)
26. W. Lester Teal, Jr. (1975-1977)
27. Barbara A. Simpson (1975-1977)
28. W. Scott Harvey (1976-1977)
29. Dr. Robert K. Koger (1977-1988)
30. Dr. Leigh H. Hammond (1977-1984)
31. Sarah Lindsay Tate (1977-)
32. Dr. Robert Fischbach (1977-1979)
33. John W. Winters (1977-1983)
34. Edward B. Hipp (1977-1989) (1)
35. A. Hartwell Campbell (1979-1986)
36. Douglas P. Leary (1980-1984)
37. Ruth E. Cook (1983-)
38. Charles E. Branford (1984-1985)
39. Hugh A. Crigler (1984-1985)
40. Julius A. Wright (1985-)
41. Robert O. Wells (1985-)
42. William W. Redman, Jr. (1987-)
43. Charles H. Hughes (1989-)
44. Laurence A. Cobb (1989-)

*Deceased

NOTE: Appointments for Utilities Commissioners have never been on a calendar year basis; therefore, the years of service given in parentheses represent the (a) year in which the Commission was appointed, and (b) the year in which service ended.

(1) Mr. Edward B. Hipp retired from the Commission June 30, 1989. Mr. Laurence A. Cobb was appointed Commissioner for the July 1989 - June 1997 term.

B. BIOGRAPHICAL SKETCH OF EACH COMMISSIONER AS OF JUNE 30, 1989

ROBERT O. WELLS, CHAIRMAN: Born June 16, 1938, in Jones County, NC; UNC-Chapel Hill (BA); Wells Insurance Agency (1963-85); Member, High Point City Council (1973-77); Member, High Point Planning and Zoning Commission (1978-81); Member, High Point Economic Development Corporation (1981-85); Member, Economic and Community Development Committee, NC League of Cities (1983-85); Member Transportation and Commerce Committee, National League of Cities (1985); Mayor, City of High Point (1981-85); assumed Commissionership July 1, 1985, current term ends June 30, 1993; married (Linda), four children.

SARAH LINDSAY TATE, COMMISSIONER: Born March 14, 1927, in Charlotte, NC; UNC (AB, LLB); Raleigh Community Relations Commission, associate counsel for insurance companies, private law practice; assumed Commissionership May 24, 1977, current term ends June 30, 1993; one daughter.

EDWARD B. HIPP, COMMISSIONER:* Born August 30, 1921, in Charlotte, NC; Davidson College (BS), UNC (JD); World War II Infantry Rifle Platoon Leader (1942-46) (awarded Silver Star and Purple Heart), NC Attorney General's Office: Staff Tax Attorney (1950-51), NC Revisor of Statutes (1952-53), private law practice (1953-61), special counsel for NC General Statutes Commission Utilities Law Revision (1962-63), NC Utilities Commission General Counsel (1963-77); assumed Commissionership October 21, 1977, current term ends June 30, 1989; married (Dorothy), three children.

*Mr. Hipp retired from the Commission June 30, 1989. Mr. Laurence A. Cobb was appointed Commissioner for the July 1, 1989 - June 30, 1997, term.

RUTH E. COOK, COMMISSIONER: Born November 11, 1929, in Berlin, Germany; NY University; Member of the NC House of Representatives (1974-83); Chairman of Appropriations Base Budget Committee on Human Resources; Chairman, Consumer Protection Committee of the Southern Legislative Conference of the Council of State Governments (1982); The NC Housing Programs Study Commission, Chairman (1981-82); Governor's Task Force on Science and Technology (1982); Savings and Loan Study Commission (1980); Board of Directors of NC Housing Finance Agency (1981); Chairman, NC Council for the Hearing Impaired (1979); Executive Director, State Council for Social Legislation (1966-74); President, NC Consumers Council (1977); Charter Board Member, Raleigh Inter-Church Housing Corporation (1966-69); President, Raleigh/Wake League of Women Voters (1963-65); Member Women Executives in State Government; First Vice President of the Southeastern Association of Regulatory Utility Commissioners (1988-89); Member, Board of the NC Center for Public Policy Research; Member, Board of the NC Arts Advocates; assumed Commissionership July 1, 1983; current term ends June 30, 1991; (husband deceased), two children.

JULIUS A. WRIGHT, COMMISSIONER: Born October 10, 1951, in Waycross, GA; Valdosta State College (BS Chemistry), GA State University (MBA Finance); Chemist, Occidental Petroleum Corporation (1975-76); Research Chemist, Chemical Products Corporation (1976-79); Senior Project Engineer, Corning Glass Works (1979-85); Owner, Video Investment Corporation (1982-85); NC State Senator (three terms, 1981-85); assumed Commissionership June 10, 1985, current term ends June 30, 1993; married (Phyllis), two daughters.

WILLIAM W. REDMAN, JR., COMMISSIONER: Born October 15, 1933, in Statesville, Iredell County, NC; University of Southern CA (1966); Embry-Riddle

Aeronautical University (1972) (BS); Realtors Institute, UNC-Chapel Hill (1978), GRI; Bank Marketing Institute, University of MD (1975); Real Estate Broker; Retired Military Officer; Member, NC Senate (1979-80), (1981-82), (1983-84), (1985-87); Member, NC Senate, Senate Minority Leader (1985-87); Member, Mental Health Study Commission (1984-87); "Valand Award", NC Mental Health Association (1986); Board of Trustees, Gardner-Webb College; National Judicial College (Administrative Law) (1988); Director, NC Solar Center; Director, NC United Way; served US Army (1954-1974) (Lt. Col.); Master Aviator and Commercial Pilot; Distinguished Flying Crosses (2); Bronze Stars (3); Air Medals (16), Infantry Officer Candidate "Hall of Fame" (1982); assumed Commissionership March 17, 1987, current term ends June 30, 1995; married (Libby), three children.

CHARLES H. HUGHES, COMMISSIONER:* Born April 20, 1945, in Asheboro, NC; Randolph Tech (1963); Greensboro College (1963-65); General Acceptance Corporation, Consumer Finance Degree (1965); Bank Administration Institute, General (1971-76); UNC School of Banking (1974); Mesco Building Systems, Estimating and Engineering (1977); General Kirby Building Systems, Estimating and Engineering, General (1979); Bank of NC, Hendersonville, NC (1971-77); President-Owner of Hughes Building Corporation (1979-81); NC House of Representatives (1980-85); Self-Employed, Marketing and Sales (1981-85); Director, Research, State of NC Governor's Office (1984-89); Member, Elks Club, Lions Club, Hendersonville Jaycees, Western NC Sportsman's Association, and Hendersonville Chamber of Commerce; assumed Commissionership April 3, 1989; current term ends June 30, 1989; appointed to additional eight-year term beginning July 1, 1989, and ending June 30, 1997; married (Suzanne), two children.

* Mr. Hughes was appointed to fill the unexpired term of Dr. Robert K. Koger. Dr. Koger retired September 19, 1988.

LAURENCE A. COBB, COMMISSIONER: Born May 20, 1933, in Teaneck, New Jersey; Rutgers University, 1951-52; UNC-Chapel Hill, 1955 (BA, Banking); Washburn University, School of Law 1955-57; UNC-Chapel Hill, School of Law, 1958, J.D. with honors; Member, N.C. Senate 1985-86, 1988-89, Senate Minority Leader; N.C. House of Representatives, 1971-72, 1973-74, 1975-76, former House Minority Leader; N.C. Chairman, Bush for President, 1980 and 1988; N.C. Chairman, Republican Victory '88, 1988; Member of Board of Governors, University of NC 1977-85; Auditorium-Coliseum-Civic Center Authority, City of Charlotte 1983-88; Member, UNC-Chapel Hill and UNCC Board of Visitors; Former President and Director, UNC-Charlotte Athletic Foundation; Former Chairman, Governor's Highway Safety Commission; Chairman, Governor's Crime Commission; Citizens Criminal Justice Commission; Former Member, Advisory Budget Commission; Former President and Director, Lawyers of N.C., Inc.; Former Director, UNC Law School Association; U.S. Air Force, 1959-62; Reserves, 1962-1989 (Colonel), Judge Advocate General Corps; assumed Commissionership August 14, 1989; current term ends June 30, 1997; married (Edna Faye), two children.

C. BIOGRAPHICAL SKETCH OF EXECUTIVE DIRECTOR

Robert P. Gruber began his term as Executive Director on July 1, 1983. From February 1978 until this appointment he had served as General Counsel to the NC Utilities Commission. From 1973 to 1978 he had been employed by the NC Department of Justice where he had served as a Special Deputy Attorney General in charge of the Utilities Section. Prior to this he had been in private law practice in Raleigh, NC. He earned his law and undergraduate degrees from the UNC.

D. PUBLIC STAFF AND ORGANIZATION CHART

As of June 30, 1989, there were 78 funded positions, including the Executive Director, comprising the Public Staff of the North Carolina Utilities Commission.

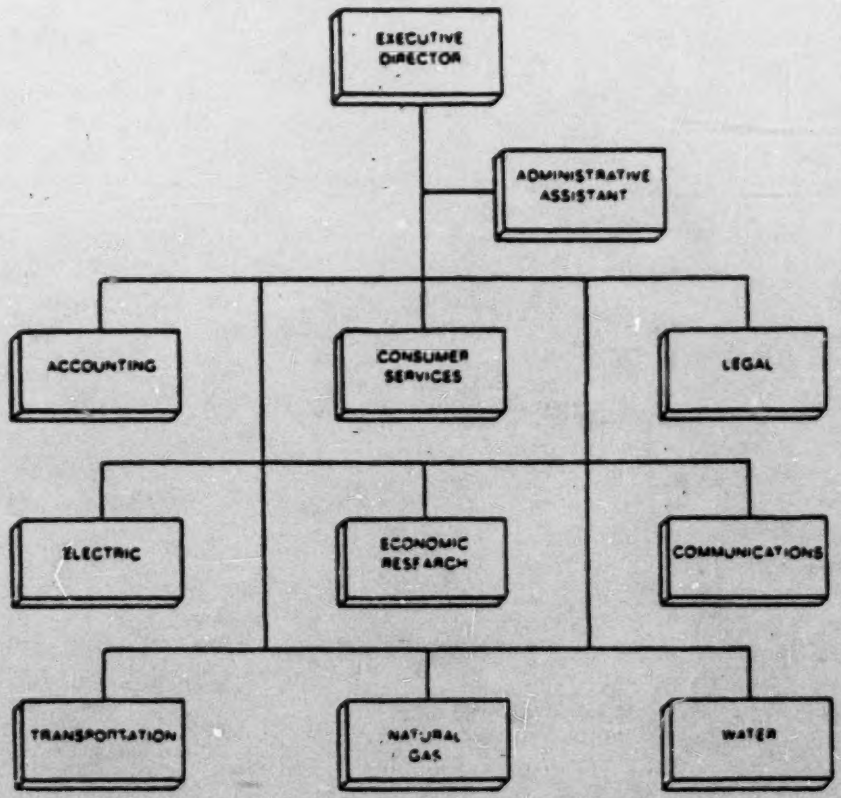
PUBLIC STAFF
NORTH CAROLINA UTILITIES COMMISSION
June 30, 1989

Executive Director
Robert P. Gruber

Administrative Assistant. . . . . .Margaret K. Kimzey
Accounting Division . . . . . .William E. Carter
Communications Division . . . . . .Gene A. Clemmons
Consumer Services Division. . . . . .J. Craig Stevens
Economic Research Division. . . . . .George T. Sessoms, Jr.
Electric Division . . . . . .Dennis J. Nightingale
Gas Division. . . . . .Raymond J. Nery
Legal Division. . . . . .Antoinette R. Wike
Transportation Rates Division . . . . . .James C. Turner
Water Division. . . . . .Andy Lee

FIGURE NO. 1-2

PUBLIC STAFF - ORGANIZATION CHART
June 30, 1989



E. HISTORICAL SKETCH OF DEVELOPMENT

The present North Carolina Utilities Commission evolved from the Railroad Commission, which was created in 1891 by the General Assembly and was given authority to determine charges made for services rendered by railroads, steamboat, or canal companies, and express and telegraph companies.

The major changes occurring in the North Carolina regulatory field since 1891 are in chronological order as follows:

1893--Telephone industry brought under regulation.

1897--Street railways brought under regulation.

1899--Railroad Commission abolished and the North Carolina Corporation Commission created. The North Carolina Corporation Commission was given general supervision of railroads, steamboat navigation and canal companies, express and telegraph and telephone companies, building and loan associations, banks, and sleeping car companies.

1900--The Corporation Commission's duties enlarged to encompass general supervision over tax listers and tax assessors.

1905--Supervision of building and loan association transferred to State Insurance Commissioner.

1913--Electric light, power, water, and gas companies, excluding municipally owned, came under regulation.

1925--Capital Issues Law administered by the Corporation Commission. Motor vehicle common carriers of persons and property over regular or specified routes brought under regulation.

1931--Transfer of banking department to the Commissioner of Banks.

1933--The Corporation Commissioner abolished. The office of Utilities Commissioner created with two associate Commissioners.

1937--Administration of Capital Issues Law transferred to Secretary of State.

1941--The North Carolina Utilities Commission established, consisting of three full-time members with six-year terms.

1949--Bus Act of 1925 replaced and jurisdiction over common and contract carriers of passengers, regular and irregular routes, expanded. Membership increased to five Commissioners and technical staff of engineers, accountants, and directors of transportation added.

1963--The utility laws of North Carolina updated and rewritten.

1965--Electric Membership Corporation brought under limited jurisdiction of the Utilities Commission relating to assignment of service and promotional payments.

1967--The following amendments to the General Statutes 62 known as the Public Utilities Act are of significance to the public and the regulatory agency:

a. Initiation of Cooperative Agreement in the enforcement of interstate motor carriers safety regulations with the Interstate Commerce Commission. (G.S. 62-266)

b. Authorization for the Utilities Commission to collect same fees for registration of interstate authority and interstate vehicles as is charged intrastate carriers. (G.S. 62-300)

c. Authority to regulate the standards of safety for interstate natural gas pipelines passing through North Carolina. (G.S. 62-41 and G.S. 62-43)

d. Change in appeal procedure of Utility Cases; they now go to the Court of Appeals rather than to the Superior Courts.

1969--The following amendments to the General Statutes 62 known as the Public Utilities Act are of significance to the public and the regulatory agency:

a. Register ICC Exemptions. Authorization for the Commission to require all interstate carriers to file copies of their respective interstate authority or register their exempt operation. The registration for the exempt carriers for the first time is the significant feature of this act. (G.S. 62-266)

b. Inspect Utility Affiliate Records. Authorization for the Commission to inspect the books and records of corporations affiliated with public utilities regulated by the Commission, including parent corporations and their affiliates. (G.S. 62-51)

c. Furnish False Information to the Utilities Commission; Failure to Furnish Information to the Commission. Action by legislature declaring it a misdemeanor for utilities under the jurisdiction of the Commission to furnish false information or for failure to furnish information on report forms furnished by the Commission. (G.S. 62-326)

d. Radio Common Carriers. Commission authority extended to grant Certificates of Public Convenience and Necessity to radio common carriers in areas where the landline telephone company has heretofore protested certificates of radio common carriers.

1971--The following amendments to the General Statutes 62 known as the Public Utilities Act were approved by the General Assembly in the current year:

a. The Executive Organization Act of 1971 created the N.C. Department of Commerce, (143A-174). The North Carolina Utilities Commission was transferred to the Department of Commerce. (G.S. 62-10)

b. Safety Standards for Interstate and Intrastate Natural Gas Pipelines. Authorization by the General Court of Justices of North Carolina to issue court orders, restraining orders, injunctions, and other processes of the court in actions by the Utilities Commission to enforce the provisions of gas pipeline safety, and authorizing the Commission to bring such action as may be necessary for compliance. (G.S. 62-50)

c. How Rates Fixed--Natural Gas Distribution Companies. Utilities Commission given permission to permit gas companies to increase their rates to customers to the extent that such increases are occasioned by increases in the wholesale rates paid by the utilities. This increase could be allowed without a general rate case hearing. (G.S. 62-133)

d. Change in Definition of "Public Utility." Prior to 1971, those persons or companies selling water to less than 25 residential customers were, by statute, exempt from Utilities regulation. 1971 legislation modified the definition of a public utility to include anyone furnishing water to 10 or more residential customers. (G.S. 62-3)

1973--The following amendment to the General Statutes 62 known as the Public Utilities Act, was approved by the General Assembly in the current year:

a. Change in Definition of "Public Utility." Town of Pineville, N.C., included insofar as town supplies telephone service to the public for compensation. This includes town limits as of May 8, 1973, and shall also include area proposed to be annexed, until January 1, 1975. Utilities Commission has no authority in respect to rates or charges for service until July 1, 1974. [G.S. 62-3 (23)(f)]

Related Statute--Electric Service in Urban Areas. Authority and Jurisdiction of Utilities Commission--G.S. 160-A-334 rewritten as follows: If North Carolina Utilities Commission finds service being furnished to consumer by a secondary supplier to be inadequate or undependable, or that rates are unreasonably discriminatory, the Commission shall have the authority and jurisdiction after notice to each affected electrical supplier, and after hearing, if hearing is requested, to: Order a primary supplier that is subject to the jurisdiction of the Commission to furnish electric service to any consumer who desires service from the primary supplier at any premises served by a secondary supplier and to order such secondary supplier to cease and desist from furnishing electric service.

1974--The following selected Legislative Bills of significance to the operations of the utilities, the utilities' ratepayers, and the Commission itself were passed by the General Assembly in the 2nd Session (1974) of the 1973 Session and along with other utility bills not listed here are included in General Statutes 62 known as the Public Utilities Act:

a. How Rates Fixed--Small Water and Sewer Utilities. The Commission may now fix such rates on the ratio of the operating expenses to the operating revenues, such ratio to be determined by the Commission, unless the utility requests that such rates be fixed under G.S. 62-133 (b). Previously only motor carrier rates were determined in relation to an operating ratio. [G.S. 62-133.1 (a)]

A water or sewer utility may enter into uniform contracts with nonusers of its utility service within a specific subdivision or development for the payment by such nonusers to the utility of a fee or charge for placing or maintaining lines or other facilities or otherwise making and keeping such utility's service available to such nonusers which in effect is an availability charge. [G.S. 62-133.1 (b)]

b. Future Test Period Authorized. Authority given to the Commission, at its discretion, to use a current as well as a past test period in establishing public utility rates. This change gave the Commission authority to use a 12-month future test period for setting rates which required the extensive use of estimated and forecasted operating data in addition to actual historical data. [G.S. 62-133 (c)] (The General Assembly, during the 1975 Session, amended G.S. 62-133 (c) by rewriting the second sentence of Subsection (c) and in effect restoring the test period used in general rate cases to 12 months historical operating expenses prior to the date the proposed rates are to become effective.)

c. Less Than the Full Commission May Hear Small Utility Rates Cases--In matters where total annual revenue requested or where total annual revenues increase requested is less than $50,000,* even though all rates are affected, the Chairman of the Commission may refer the matter to a division of the Commission, to a Hearing Commissioner, or to a Hearing Examiner for hearing. Previously, the full Commission was required to hear all general rate cases. (G.S. 62-81) *Increased to $100,000 by 1977 legislative amendment. Increased to $300,000 by 1981 legislative amendment.

1975--Major legislation affecting the regulation of utilities:

a. Definition of the Term "Panel." Panel as used herein means three Commissioners, a division of the Utilities Commission authorized for the purpose of carrying out certain functions of the Commission. (G.S. 62-3)

b. Increase in the Number of Commissioners From Five (5) to Seven (7). All Commissioners henceforth are to be appointed by the Governor subject to

confirmation by the General Assembly in joint session. (G.S. 62-10)

c. Initiation of Management Audits. Management Audits may be initiated by the Commission of any public utility company once every five years by a competent, qualified, and independent firm with the cost of such audit to be borne by the particular public utility subject to the audit. [G.S. 62-37 (b)]

d. Procedure Before the Commission. The Commission shall sit in panels of three unless the Chairman, by Order, shall set the proceeding for hearing by the Full Commission. (G.S. 62-60.1)

e. Long-Range Forecast. The Commission is required to develop, publicize, and keep current an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina, including its estimates of the probable future growth of the use of electricity, the probable needed generating reserve, the extent, size, mix, and general location of generating plants, and arrangements for pooling power to the extent not regulated by the Federal Power Commission. [G.S. 62-110.1 (c, d, e, f)]

f. Rate Changes Due Solely to Changes in Cost of Fuel. Effective on and after September 1, 1975, application by any public utility for permission and authority to increase its rates and charges based solely upon the increased cost of fuel used in generation or production of electric power must be suspended for a period not to exceed ninety (90) days. A hearing on the merits of the application must be held within thirty (30) days of the date of the filing with an Order responsive to the application being issued no later than ninety (90) days from the filing. A rate decrease due solely to a decrease in the cost of fuel, upon motion of the Commission or application of any person having an interest in said rate, shall be set for hearing. Any person directly interested in these proceedings shall have a full right of intervention. These types of proceedings shall not be considered a general rate case. To implement this new legislative act, the Commission adopted a new Rule, R1-36, which prescribes the information and exhibits required to be filed with the application. [G.S. 62-134 (e) and (f)]

1977--Major legislation affecting the regulation of utilities:

a. Creation of the Office of Executive Director and Public Staff to Represent the Using and Consuming Public. The Commission personnel was divided into a Commission Staff and a Public Staff. The Office of Executive Director was established to direct the Public Staff. The Executive Director shall be appointed by the Governor subject to confirmation by the General Assembly in joint session. The term of the Executive Director shall be six years and the salary the same as that fixed for Commissioners. The Executive Director may be removed from office by the Governor in the event of his incapacity to serve, and the Executive Director may be removed from office by the Governor upon the affirmative recommendation of a majority of the Commission, concurred in by a majority of the Utility Review Committee of the General Assembly. The Public Staff shall not be subject to the supervision, direction, or control of the Commission, the Chairman, or members of the Commission. The Public Staff has the duty and responsibility to review, investigate, intervene, and make recommendations to the Commission relating to practically all matters affecting the using and consuming public and especially in the following areas: rates charged for service, level and quality of service rendered, issuance or cancellation of certificates for service and service areas, complaints of consumers, transfers, mergers or consolidation of utilities providing services to the public, contracts of public utilities with and between affiliates or

subsidiaries, and the issuance of securities or other financial matters affecting the utilities. The Public Staff has no duty, responsibility, or authority with respect to the enforcement of natural gas pipeline safety laws, rules or regulations, or to the laws, rules or regulations of common, contract, and exempt carriers relating to their equipment, the registration of their vehicles, insurance coverage, licensing or training of drivers, or the operation of motor vehicle equipment. [For complete detail of duties of Public Staff, see G.S. 62-15 (a) thru (i).]

b. Gifts to Members of Commission, Commission Employees, or Public Staff Unlawful--Utilities may not offer nor may any member of the Commission, Commission Staff, or Public Staff accept any gift of money, property, or anything of value from the utilities. One violating this rule is guilty of a misdemeanor and may be fined and subject to dismissal for cause. A member of the Commission, Commission Staff, or Public Staff may attend public breakfasts, lunches, dinners, or banquets sponsored by the regulated utilities. (G.S. 62-327)

c. Public Staff Provision Renewable After Four Years--Unless the General Assembly shall otherwise direct, effective August 31, 1981, the Office of Executive Director and the Public Staff of the Commission shall terminate and the positions assigned to the Public Staff shall be assigned to the Commission.

d. Lifeline Rate Study--Resolution No. 63 urging the Utilities Commission to investigate and study Lifeline Rates for consumers of electricity and natural gas was ratified by the General Assembly on June 14, 1977. Because of rapidly rising rates for electric and natural gas service and the great hardship the rates were causing many elderly and low income persons in the State, the Commission was urged to study and consider whether it is just and reasonable to establish a category of lifeline rates for essential levels of use by residential customers to provide lighting, cooking, and refrigeration in their primary place of residency.

e. Use of Original Cost Plus Construction Work in Progress (CWIP) of Public Utilities Property for Ratemaking Purposes to be Effective With Respect to Rate Applications Filed on and After July 1, 1979. Effective with rate applications filed on and after July 1, 1979, the Commission must use as the rate base for fixing rates of electric, gas, telephone, and water and/or sewer utilities (unless the operating ratio is used for water and sewer companies) the reasonable original cost, less depreciation, plus the reasonable original cost of construction work in progress (CWIP) of the public utility's property. This method replaces the currently used Fair Value formula (which excludes the value of CWIP) in determining the rate base for the fixing of rates. In conjunction with the enactment of the above amendment to G.S. 62-133 entitled "How rates fixed" the General Assembly also amended G.S. 62-2 entitled "Declaration of Policy" by adding a new subsection (5) which reads as follows:

"(5) Require each public utility to discontinue capitalization of the composite carrying cost of capital funds used to finance construction (allowance for funds) on the construction work in progress included in its rate base upon the effective date of the first and each subsequent general rate order issued with respect to it after the effective date of this subsection; allowance for funds may be capitalized with respect to expenditures for construction work in progress not included in the utility's property upon which the rates were fixed. In determining net operating income for return, the Commission shall not include any capitalized allowance for

funds used during construction work in progress included in the utility's rate base." (See Session Laws 1977, c 691, ss. 2 & 3 for details of amendments to G.S. 62-133).

f. Constitutional Amendment (Article V) to allow municipalities to Issue Revenue Bonds to Finance the Cost of Electric Generation and Transmission Facilities. This related legislation authorizing municipalities owning or operating electric systems and joint agencies composed of such municipalities to jointly or severally own, operate, and maintain an electric system and to use revenue bonds to finance the cost thereof, subject to the approval of the electorate, directly affects the regulated electric companies of North Carolina. Duke Power Co. has already agreed to sell a portion of its nuclear generating capacity to nineteen (19) North Carolina towns and cities which are members of the North Carolina Municipal Power Agency No. 1. (See Session Laws 1977, c 528, sections 1 thru 6 for details of Constitutional Amendment.)

g. Uniform and Joint Rates Among Carriers of the Same Class Authorized. Historically tariff bureaus have been formed by common carriers for the purpose of establishing and publishing joint rates, in order to achieve a stable rate structure. The enactment of Chapter 219 empowered the Commission to regulate and permit tariff bureaus to publish joint rates. G.S. 62-152.1 and Commission Rule R4-12 set forth the Commission's requirement of a rate bureau in order for it to publish joint rates with this Commission.

1979 & 1980--Major legislation affecting the regulation of utilities

a. Office of Executive Director and the Public Staff Made Permanent on April 10, 1979. These positions otherwise would have been terminated on August 31, 1981. (Session Laws 1979, c 332, 3.1)

b. Gas Pipeline Safety Standards Authority Expanded. The Utilities Commission's authority is expanded over natural gas pipeline safety standards to cover public housing authorities and apartment complexes or mobile home parks that distribute or submeter gas to their tenants. It also restates the Commission's existing authority over pipeline safety standards of interstate and intrastate gas utilities and pipeline carriers under franchise, as well as municipally owned distributors, without apparently changing the substance of this authority. (Session Laws 1979, c 269, G.S. 62-50)

c. Ex-parte Communications. The act was amended which forbids any non-written communication by a public utility or public staff member to a Commission member or hearing examiner relating to the level of rates to be charged by deleting the words "with regard to matters affecting the rates charged or proposed to be charged" and inserting in lieu thereof the words "regarding the level of rates specifically proposed to be charged." Article IV, G.S. 62-70 (g) (Session Laws 1979, c 332, S.2.)

d. Encouragement of Cogeneration of Electricity. Cogeneration of electricity was encouraged by exempting from regulation persons who are constructing or operating an electric generating unit primarily for their own use and not for the primary purpose of producing electricity, heat, or steam for sale to or for the public for compensation. However, such persons must report to the Utilities Commission the proposed construction of such a facility before construction begins. [G.S. 62-110.1 (g)]

e. Power Sales by Small Power Producers. In the event that a small power producer and an electric utility are unable to mutually agree to a contract price for the electricity purchased by the electric utility, the Commission shall require the utility to purchase

the power, under rates and terms established under G.S. 62-156. (See Session Laws 1979, 2nd Session, 1980, c 1219, S.2.)

f. Security Provisions Relating to Access to Nuclear Power Facilities and/or Control Over Nuclear Material. The Chief Personnel Officer or his designee of any public utility franchised to do business in North Carolina shall be permitted to obtain from the State Bureau of Investigation a confidential copy of criminal history record information for screening an applicant for employment or an employee of a utility or utility contractor where the employment or job to be performed falls within a class or category of positions certified by the North Carolina Utilities Commission as permitting or requiring access to nuclear power facilities or access to or control over nuclear material. (G.S. 62-333) (See Session Laws 1979, c 796.)

g. Motor Carriers Providing "Charter Party" Services for Senior Citizens Exempt From Regulation. Motor passenger carriers engaged in "Charter Party" service for senior citizens 60 years or older are exempt from Commission regulation except for subsections (f) and (g) of Article 12 G.S. 62-260. These sections deal with security, safety, and registration regulations of motor passenger carriers and their vehicles. [G.S. 62-260 (a)(18)] (See Session Laws 1979, c 204).

1981--Major legislation affecting the regulation of utilities

a. Rate-setting Hearings Nonmandatory When There is No Significant Public Protest and All Parties Are in Agreement. When there is no significant public protest received within 30 days of the publication of notice of a proposed rate change for a water or sewer utility, the Commission may decide the proceeding based on the record without a trial or hearing, provided said utility and all other parties of record have waived their right to any such hearing. [G.S. 62-81 (f) (HB 530)]

b. Commission Authorized to Decide the Level of Interest to Add to Customer Refunds. The Commission under the amended law can decide the level of interest rates public utilities must pay on refunds of monies to its customers which were advanced by or overcollected from its customers. Under the amended law the rate cannot exceed ten percent (10%) per annum, previously the only rate was six percent (6%) per annum. [G.S. 62-130 (e) and G.S. 62-135 (c) (HB 531)]

c. The Utility Company Shall Be The Source of Funds for the Public Staff to Employ Outside Assistance in Commission Proceedings. The Executive Director of the Public Staff is authorized to employ, subject to the approval of the State Budget Officer, expert witnesses and such other professional expertise as deemed necessary to assist the Public Staff in its participation in Commission proceedings, and the compensation and expenses therefor shall be paid by the utility or utilities participating in said proceedings. Before this enactment, the funds for this type service came from the regular appropriated Public Staff budget or from the State Contingency and Emergency Fund. [G.S. 15 (h) (HB 529)]

d. Employment of Temporary Court Reporters With Costs to be Borne by Individual Utility or Utilities. The Commission is authorized to contract with or employ on a temporary basis, when deemed necessary by the Chairman of the Commission, court reporters in addition to those employed on a full-time basis by the Commission for the purpose of recording and transcribing testimony given at hearings before the Commission involving any Class A and B utility. The costs for these court reporters are to be charged directly to the involved utility or utilities. [G.S. 62-7 (d) (SB 639)]

1982-Major legislation affecting the regulation of utilities (1982-Short Session)

a. Changes in Method and Times Per Year the Fuel Clause Adjustment May be Considered and the Treatment of Construction Work in Progress (CWIP) for Ratemaking Purposes. Chapter 62 of the General Statutes is amended by adding a new section, G.S. 62-133.2 (HB 1594). This new section provides that the Commission shall conduct only one hearing for each electric utility within 12 months of the last general rate case for the purpose of determining whether an increment or decrement rider is required to reflect actual changes in the cost of fuel and the fuel cost component of purchased power over or under base rates established in the last preceeding general rate case. The amended law also provides that the Commission shall allow only that portion, if any, of a requested fuel adjustment that is based on adjusted and reasonable fuel expenses prudently incurred under efficient management and economic operations. Before enactment of this amendment, there were fuel costs adjustment proceedings three times a year; and the Commission had been barred by court decisions from reducing fuel charges because of inefficient management of poor plant performance. The old fuel adjustment procedure in G.S. 62-134 (e) is repealed. CWIP changes for ratemaking purposes were implemented by the legislature by changing words in the second sentence of G.S. 62-133 (b) (1) from "shall be included" to "may be included, to the extent the Commission considers such inclusion in the public interest and necessary to the financial stability of the utility in question." Prior to this change (since July 1, 1979) in the wording of G.S. 62-133 (b) (1), the Commission had been required to include in the rate base for ratemaking purposes the reasonable original cost of CWIP which had the effect of allowing the utilities to recover through rates the costs of obtaining money to build new facilities. The new law gives the Commission discretionary authority on whether to include CWIP costs in rates. The new law was effective June 17, 1982, the date of ratification.

1983--Major legislation affecting the regulation of utilities:

a. Amendments to Appeal Procedures. Chapter 526, House Bill 493 is an act to implement the Constitutional amendment regarding appeal of Utility Commission Orders. G.S. 7A-29 is amended to show appeals in a general rate case from decisions of the Utilities Commission now go directly to the Supreme Court. In the past, according to G.S. 7A-29, the appeal shall lie to the Court of Appeals.

Chapter 572, House Bill 513 is an act to clarify the filing of a notice of appeal in all appeals taken from decisions of the Utilities Commission. G.S. 62-90 (a) is rewritten to include that any party to a proceeding before the Commission may appeal any final decision of the Commission within 30 days, if they file with the Commission a notice of appeal and set forth the grounds which they believe to be unjust or unreasonable. All other parties may give notice of cross appeal, if they explain the grounds which they believe to be unjust or unreasonable, within 20 days after the first notice of appeal.

b. Compensation for Outside Counsel for Certain Natural Gas Litigation: Chapter 761, Senate Bill 23, Sec. 132 authorized that compensation for outside legal fees in excess of twenty-five thousand dollars ($25,000) per year incurred by the North Carolina Utilities Commission on behalf of the using and consuming public in conjunction with natural gas litigation brought before federal courts and agencies shall be paid from refunds received from the Transcontinental Gas Pipeline Company rather than from the Contingency and Emergency Fund,

provided that the agreement must be approved by the State Budget Office.

c. Transfer of Motor Carrier Safety Regulation to DMV. Sec. 137. The safety regulation of all motor carrier transportation services is transferred from the Utilities Commission, Department of Commerce, to the Division of Motor Vehicles, Department of Transportation. This transfer shall be a "type I transfer" as identified in G.S. 143A-6. The regulation of rates and market entry for motor carrier transportation services shall remain vested in the Utilities Commission. The agencies of State government affected by this transfer shall report to the 1984 Session of the General Assembly regarding any changes in the General Statutes required by this transfer.

1984--Major legislation affecting the regulation of utilities:

a. Utility Federal Tax Refund. Chapter 1097, House Bill 1513, is an act to change the state tax structure for commodities and services provided by certain utilities. This act will enable individuals to deduct the taxes on these commodities and services from their Federal income. This does not change rates, it simply converts about one-half the franchise tax to a sales tax so that the sales tax can be deducted from an individual's Federal income tax liability as an itemized deduction. It is the policy of this State that as many State taxes as possible be structured so that they are deductible for Federal income tax purposes under the Internal Revenue Code. This bill was ratified July 6, 1984, and was made effective on January 1, 1985.

b. Powers and Duties of the Utilities Commission in the Telecommunications Industry Broadened. Chapter 1043, House Bill 1365, is an act that broadened the authority of the North Carolina Utilities Commission to allow competitive offerings of long-distance services by public utilities defined in G.S. 62-3 (23)(a)(6) and certified in accordance with the provision of G.S. 62-110. This additional authority was granted "because of technological changes in the equipment and facilities now available and needed to provide telephone and telecommunications services, changes in regulatory policies by the federal government, and changes resulting from the court-ordered divestiture of the American Telephone and Telegraph Company, competitive offerings of certain types of telephone and telecommunications services may be in the public interest."

G.S. 62-110 as amended by this act authorized the Commission to issue certificates to provide competitive long-distance telecommunication services; however, the Commission shall consider the impact on the local exchange customers and only permit such additional service if the Commission finds that it will not jeopardize reasonably affordable local exchange service. This bill was ratified and became effective on June 29, 1984.

1985--Major legislation affecting the regulation of utilities:

a. Bus Regulatory Reform Act of 1985. Chapter 676, House Bill 977, is an act to reform the laws regulating common carriers of passengers by motor vehicle. The General Assembly finds and declares that a safe, competitive, and fuel efficient passenger bus industry contributes to a strong economy and is vital to the transportation needs of the elderly, handicapped, and poor; Congress has already enacted the Bus Regulatory Reform Act of 1982, which reduces unnecessary and burdensome government regulation of motor carriers of passengers, and now this State will amend and modify its laws regulating motor carriers of passengers, to make them more compatible with the provisions of the Bus Regulatory Reform Act

of 1982 and consistent with the public needs of the citizens of this State. Every bus company shall provide safe and adequate service, and unless the Commission orders otherwise, no bus company shall make any changes in its rates, fares, or charges, which have been established under this Chapter, except after 30 days' notice to the Commission. This bill was ratified and became effective July 10, 1985.

b. Clarify the Definition of Preference or Advantage in Utilities Regulation and Provide a Corporate Income Tax Credit. Chapter 695, House Bill 1010, is an act to clarify the definition of preference or advantage in utilities regulation and to provide a corporate income tax credit. This bill states that it shall not be considered an unreasonable preference or advantage for the Utilities Commission to order a reduction in local telephone rates for low-income residential consumers meeting a means test established by the Commission in order to match any reduction in the interstate subscriber line charge authorized by the Federal Communications Commission. Also this bill allows a corporation that provides telephone service to low-income residential customers at reduced rates, in accordance with an order of this Commission, a credit against the tax imposed by this Division. This credit is allowed only for a reduction in local telephone service rates and fees.

c. Permit telephone service of coin, coinless, or key-operated pay telephones by entities other than the certificated telephone companies. Chapter 680, House Bill 1209, is an act to allow the provision of telephone service by entities other than the certificated telephone companies. The North Carolina Utilities Commission will issue a special certificate to persons who offer coin, coinless, or key-operated pay telephone service to the public. The certificated local exchange telephone company in the area of the new pay telephone service will be the only provider of the access line from the pay instrument to the network, and the rates approved by the Commission for this access line shall be fully compensatory. This bill was ratified and made effective July 10, 1985.

1986--Major legislation affecting the regulation of utilities:

Utilities Commission/State Reimbursement. Chapter 1014, House Bill 2055, Section 233, G.S. 62-48 (b) authorizes the Utilities Commission to establish procedures whereby the State may be reimbursed from past and future refunds received by the North Carolina natural gas distribution companies for travel expenses incurred by staff members of the Commission and Public Staff who are designated to provide assistance to the Commission's private legal counsel in natural gas matters before federal courts and agencies. This bill was ratified on July 15, 1986, and made effective July 1, 1986. House Bill 2055, in effect, rewrites and broadens the source of funding for compensation for outside counsel as originally enacted in 1983 under Chapter 761, Senate Bill 23, Section 132. The Bill is briefly described in Section E. Historical Sketch of Development," 1983 Major legislation affecting the regulation of utilities, part (b).

1987--Major legislation affecting the regulation of utilities:

a. Permit the Provisions of Shared Use and Resale of Telephone Service. Chapter 445, Senate Bill 822 authorizes the Commission, consistent with the public interest, to adopt procedures for the purpose of allowing shared use and/or resale of any telephone service provided to persons who occupy the same contiguous premises. The Commission shall determine the extent to which such services shall be regulated and shall regulate the terms, conditions, and rates charged for such services and

the terms and conditions for interconnection to the local exchange network. The local service rates approved by the Commission for local exchange lines or trunks being shared or resold shall be fully compensatory and on a measured usage basis where facilities are available or on a message rate basis otherwise.

Section 2 of this law rewrote G.S. 62-3(23)(g) to read as follows: "The term 'public utility' shall not include a hotel or motel, time share, or condominium complex operated primarily to serve transient occupants, which imposes charges to occupants for local, long-distance, or wide area telecommunication services when such calls are completed through the use of facilities provided by a public utility, and provides further that the local services received are rated in accordance with the provisions of G.S. 62-110(d) and the applicable charges for telephone calls are prominently displayed in each area where occupant rooms are located." This bill was ratified and made effective June 22, 1987.

b. Provide Adjustments to Cost in Electric Utility Ratemaking and to Study the Question of Continuing the Authority for True-ups. Chapter 677, Senate Bill 524 provides that in annual fuel charge adjustment proceedings for electric utilities, the Commission shall incorporate a "true-up" of reasonable fuel expenses prudently incurred during the test period in fixing an increment or decrement rider. The burden of proof as to the correctness and reasonableness of the charge and as to whether the fuel charges were reasonably and prudently incurred shall be on the utility. The Commission shall adopt a rule that establishes prudent standards and procedures with which to appropriately measure management efficiency in minimizing fuel costs. The Joint Legislative Utility Review Committee shall study the fuel charge adjustment statute (G.S. 62-133.2) and shall report its findings and recommendations to the General Assembly prior to the convening of the 1989 session. G.S. 62-133.2 is repealed in its entirety effective July 1, 1989. The legislation was ratified and made effective July 24, 1987.

c. Require Implementation of Least Cost Planning Initiatives by Utilities: Chapter 354, Senate Bill 813 amends G.S. 62-2 by adding a new subsection 3a. This act states that in order to provide adequate, reliable utility service to meet future growth, the entire spectrum of demand-side options should be used, including conservation, load management, and efficiency programs as additional sources of energy supply and/or energy demand reductions. This act requires energy planning and fixing of rates in a manner to result in the least cost mix of generation and demand-reduction measures which is achievable, including consideration of appropriate rewards to utilities for efficiency and conservation which decrease utility bills. This bill was ratified and made effective June 12, 1987.

d. Request a Water or Sewer Utility Company to Post a Bond. Chapter 490, House Bill 747. This bill states that no franchise may be granted to any water or sewer utility company until the applicant furnishes a bond secured with sufficient surety as approved by the Commission in an amount not less than ten thousand dollars and not more than two hundred thousand dollars. The bond shall be conditioned upon providing adequate and sufficient service within all the applicant's service areas. This bill was ratified and made effective June 26, 1987.

FIGURE NO. 1-3

NORTH CAROLINA UTILITIES COMMISSION
Receipts and Expenditures
Fiscal Year Ended June 30, 1988

Source	Commission Staff	Public Staff [1]	Total N.C. Utilities
General Fund Appropriation	$2,235,606.44	$3,344,642.86	$5,580,249.30
Other Receipts			
Alternative Energy Corporation	41,277.80	0	41,277.80
Miscellaneous Revenues	1,983.00	0	1,983.00
Fees Collected by Commission:			
Office of Chief Clerk	111,958.17	1,982.00	113,940.17
Court Reporter Fees	12,984.60	0	12,984.60
Legal Fees - Gas Co.	64,181.41	0	64,181.41
Transfer - Prior Fiscal Year	6,683.00	8,456.00	15,139.00
Federal Funds			
U.S. Gas Safety Program	101,799.00	0	101,799.00
Rail Safety	38,603.52	0	38,603.52
Total Receipts	$2,615,076.94	$3,355,080.86	$5,970,157.80
Expenditures			
Salaries and Wages	$1,876,347.59	$2,614,072.19	$4,490,419.78
Fringe Benefits	387,972.33	549,027.36	936,999.69
Legal and Consulting Fees	99,731.61	0	99,731.61
Materials and Supplies	7,678.34	7,385.54	15,063.88
Travel	88,262.93	42,862.54	131,125.47
Postage, Telephone, Printing	58,959.62	41,214.44	100,174.06
Photocopying	31,945.73	21,197.78	53,143.51
Repairs of Building and Equipment	1,140.13	3,017.25	4,157.38
Data Processing Service	0	17,752.63	17,752.63
Employee Educational Expenses	1,514.11	8,292.87	9,806.98
Other Services and Expenses	703.94	0	703.94
Rent - Building and Offices	720.00	321.65	1,041.65
Insurance and Bonding	630.94	874.14	1,505.08
Service and Maintenance Contracts	19,502.90	3,875.91	23,378.81
Dues and Subscriptions	10,049.48	7,939.84	17,989.32
Office Furniture, Equipment, Books	17,951.82	16,986.43	34,938.25
Data Processing Equipment	4,517.83	19,792.05	24,309.88
Other Expenses	7,447.64	468.24	7,915.88
Total Expenditures	$2,615,076.94	$3,355,080.86	$5,970,157.80
Number of Positions	56 [2]	78	134

[1] The 1977 N.C. General Assembly amended General Statute 62 to provide for a Public Staff in the Utilities Commission to represent the using and consuming public. Effective July 1, 1977, the Commission was completely restructured into two staffs, creating a budget for each staff.

[2] As of September 1, 1983, twenty-five (25) positions were transferred to the Department of Transportation, Division of Motor Vehicles to continue to administer the registration and insurance functions relating to the regulated motor passenger and motor freight carriers of North Carolina.

A. GENERAL

1. Public Involvement

The Commission has continued its emphasis on improving its public image by making its activities open for participation by the public and other interested parties. The table below shows the number of formal hearings held in Raleigh and in the service areas of the utilities involved; many of these hearings were held at night.

	Year Ended December 31			
	1985	1986	1987	1988
Total Formal Hearings Held	279	239	213	200
Number of Hearings Held Away From Raleigh, in Utility Service Areas	43	49	46	54
Percent of Total Hearings Held Away From Raleigh	15%	21%	22%	27%

The primary reason for holding hearings in the service areas of the utilities involved in the hearings is to make it easier for the local consumers and general public to attend and to offer testimony if they so choose. Attendance at such hearings provides a broader knowledge of the scope and complexities of issues with which the Commission, the Public Staff, and all other participants must deal.

Advance public notice is given for all hearings of general interest and especially rate case hearings. Also news releases are made of important Commission decisions and activities. All Commission weekly conferences (Monday mornings generally) are open to the public as a spectator or participant.

For a summary of Commission proceedings docketed and heard in 1988 see Figure No. 2-1.

B. ELECTRIC

1. Load Forecast--N.C. Electricity Needs (1988-1997)

The General Statutes of North Carolina require that the Commission develop an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina (G.S 62-110.1). On August 18, 1986, the Commission issued its Order Adopting Updated Forecast and Plan for Meeting Long-Range Needs for Electric Generating Facilities in North Carolina--1985/86 in Docket No. E-100, Sub 50. The Order contained the findings and conclusions of the Commission regarding generating capacity expansion by electric utilities serving North Carolina. In June 1987 and again in June 1988 the Commission issued reports updating its August 18, 1986, Order pursuant to G.S. 62-110.1.

The rates of growth in kW peak demand for CP&L, Duke Power, and Vepco for the period 1988-1997, taking into account conservation, load management, and emerging alternative energy resources which appear most likely at this time, should fall in the following ranges:

Company	% Annual Growth Rates in Peak Demand During (1988-1997)
CP&L	1.5% - 1.9%
Duke	2.5% - 3.0%
Vepco	2.8% - 3.0%

Forecasting electric load growth for many years into the future is an imprecise art at best. Virtually all of the forecasting tools in common use today assume that certain historical trends or relationships will continue into the future, and that historical correlations give meaningful clues to future behavioral patterns. As a result, any shift in such correlations or relationships can introduce significant errors into the forecast. A prime

example of such a shift in historical relationships was the shift in energy usage patterns following the dramatic increase in fuel oil prices during the mid 1970's, an event which rendered virtually all prior forecasts invalid.

The current load forecasts adopted by the Commission are based in large part on the premise that conservation, load management, and emerging alternative resources represent permanent changes in the approach of society toward the use of energy. However, uncertainties concerning when the various known energy alternatives will become available in sufficient quantity to be of significant impact during the current planning horizon places the Commission in the position of having to evaluate forecasts, while at the same time working to encourage energy alternatives which could change those "most likely" forecasts. Thus, the Commission finds it necessary to allow for a great deal of flexibility in the planning for generation capacity expansion to match the forecasts. By order issued March 25, 1987, the Commission instituted a general investigation and rulemaking proceeding to consider the adoption of a new approach to electric utility planning which is intended to identify those electric resource options which can be obtained for the total least cost to the ratepayers consistent with adequate, reliable service. By order issued December 8, 1988, the Commission adopted rules for Least Cost Integrated Resource Planning which define an overall framework within which the planning process will take place. Integrated resource planning is a strategy which considers conservation, load management, and other demand-side programs along with new generating plants, cogeneration, and other supply-side options in providing cost effective, high quality electric service.

The Commission has also scheduled further public hearings in September 1989 to consider the least cost integrated resource plans which are required to be filed by the electric utilities pursuant to the General Statutes and the Commission Rules. The plans filed with the utilities will consist of three components: a 15-year load forecast; an integrated resource plan; and a short-term action plan.

2. The Alternative Energy Corporation

Creation and Structure

The North Carolina Alternative Energy Corporation (AEC) was established by the North Carolina Utilities Commission in 1980 to identify, adapt, and promote alternative energy technologies and systems suited to North Carolina requirements. The AEC is a quasi-public, non-profit, private corporation that secures financial support from both the regulated and nonregulated electric suppliers in North Carolina. The AEC is the nation's only cooperative joint venture in energy between government and public and private power organizations. In early 1985, the original five-year lifetime for the corporation was extended to December 31, 1990, by action of the Utilities Commission following a full public hearing.

The AEC's projects are organized into five program areas that parallel energy use--agriculture, community, industry, residential/commercial, and utility. Specifically, the AEC has been mandated to educate consumers about energy, provide alternatives to current electric generation technologies, develop more economical sources of electric power, improve system efficiency and load factors and help to moderate the future cost of electric service.

Ratepayer contributions are proportional to kilowatt-hour sales and total about $2.3 million annually--37 cents per year for each resident of North Carolina.

The AEC's most effective role is to find, field test, and promote the use of the best techniques and technologies available so that: North

Carolina residents can have reliable and affordable energy for their homes and communities; industries and businesses can use the minimum necessary energy to increase their productivity and competitiveness; and utilities can provide their customers with high quality energy services at the lowest possible cost.

In an overall sense, benefits from AEC activities range from individuals having more control over the energy they use and pay for, to utilities needing to build fewer expensive central power plants. Both results are key to maintaining and improving our continued economic stability.

Utilities in the next few years will be required to meet increasing demands during peak periods either by reducing use of electricity at those times or by building new generating capacity. They are already working to increase the use of off-peak power capacity. To address these needs, the AEC Utility Program works with utilities to test new technologies and to investigate unconventional opportunities such as storing energy in large batteries, using off-peak energy to charge electric vans, and generating energy from ocean waves. The AEC also helps utilities by collecting data about their control of residential hot water heaters and air conditioners to reduce peak demand. By better understanding how their load control strategies are affected by weather, season, and time of day, they will be better able to get the peak reductions they need at minimum inconvenience to their customers.

C. Railroad Station Closings and Changes

There were 79 railroad station closings and changes during the period January through December 1988. See Figure No. 11-3 in the Railroad section for more detailed information and listings.

D. Consumer Pocketbook Issues

1. General Rate Case Decisions 1971-1988

A summary of the Commission decisions in general rate cases for the 18-year period from 1971 through December 31, 1988, for the electric, gas, and telephone groups show that 59% of the amount requested has been granted. Broken down by groups the amounts granted were electric--60.3%; gas--65.1%; and telephone--53.3%. See Figure No. 2-2 for yearly totals.

During the most current 8-year period of 1981 through December 1988, the percentage granted for each group was less than for the previous 11 years. The amount granted during the most current 8 years was about 77% more than was granted during the previous 11-year period. The following table shows the progression of amounts requested and granted during the last eight years compared to the amounts requested and granted during the period from 1971 through 1980.

Period/Group		Requested (000's)	Granted (000's)	% Granted
1971-1980	Elec.	$1,003,063	$ 731,261	72.9
	Gas	54,512	36,633	67.2
	Phone	323,291	172,707	53.4
	Total	$1,380,866	$ 940,601	68.1
1981-1988	Elec.	$2,330,137	$1,279,941	54.9
	Gas	97,231	62,216	64.0
	Phone	603,293	321,536	53.3
	Total	$3,030,661	$1,663,693	54.9
1971 1988	Elec.	$3,333,200	$2,011,202	60.3
	Gas	151,743	98,849	65.1
	Phone	926,584	494,243	53.3
	Total	$4,411,527	$2,604,294	59.0

Many factors such as interest rates, quality of service, cost of fuel, availability of gas supplies, future demands for utility service and utility managerial efficiency contribute to the final decisions reached by Commissioners in general rate case

decisions. All of these factors are thoroughly investigated and evaluated by the Public Staff of the Commission for each rate case, and then presented to the Commission for consideration as to treatment in the case. Additionally, the Company and intervenors representing various groups and viewpoints offer expert testimony and their counsel engages in extensive cross examination of all pertinent testimony presented during the hearings. Some facts, however, lie beyond the control of the Commission and can account for even larger increases than the rate cases themselves. Cost of gas to the gas company from the State's only supplier, Transcontinental Gas Pipeline Corporation (TRANSCO) requires an adjustment to consumers' gas rates, but this type of adjustment is made through a staff conference rather than through a general rate case. Fuel consumed for the generation of electricity was adjusted at intervals through regular open conference and modified several times over the years until the current procedure of annual filings for rate adjustments for fuel cost was adopted on May 1, 1984. For both gas companies and electric companies, the price, or cost adjustment to the ultimate consumer, is not necessarily the result of just general rate cases and, in fact, these cost adjustments can have as much or an even greater effect on the cost of services to the ultimate consumer than any other aspect of the industry.

2. N.C. Utility Rates vs. Consumer Price Index (CPI)

The Consumer Price Index for All Urban Consumers (CPI-U) reflects the average change in the retail prices of a fairly broad but select "market basket" of consumer goods and services. It has been the most popular index because it is reported monthly as opposed to the quarterly publication of the Gross National Product Deflator, and it is not revised after its initial publication. For the year 1988, residential electric rates increased over the 1987 rates from an average of 7.31 cents per kWh to 7.32 or .14% for this same period, the CPI-U increased from 340.4 to 354.3 or 4.08%.

North Carolina residential customer usage of kWhs of electricity increased in 1987 over 1986 by 3.5% whereas the U.S. average increased by approximately 2.2%. North Carolina usage has consistently exceeded the national average, this is partially due to the North Carolina rates per kWh being lower than the national average. The average North Carolina cost for each residential kWh in 1987 was 7.31 cents vs. the national average of 7.46 cents or 2.01% lower.

The cost increase for a dekatherm of natural gas decreased 6.12% in 1988 over 1987 vs. the 4.08% increase in the CPI-U.

The following table shows the electric, gas, and telephone utility costs compared to the CPI-U for the years of 1975 through 1986 and 1987 to 1988.

N.C. Utility Rates vs. Consumer Price Index (CPI)

Year Ended December 31	Average Residential Electric Rates Per kWh (Cents)	Average Residential Gas Rates Per Dekatherm ($)	Average Monthly Telephone Bill For Local Service (All Customers) ($)	Consumer Price Index All Urban Consumers
1975	3.09	$2.05	$14.88	161.2
1980	4.29	$4.08	$19.78	246.8
1984	6.64	$6.52	$22.37	311.1
1985	6.86	$6.46	$22.64	322.2
1986	7.15(a)	$6.50(b)	$22.30(c)	328.4
1975-1986 % Change	131.39%	217.07%	49.87%	103.72%
1987	7.31(a)	$6.54(b)	$21.94(c)	340.4
1988	7.32(a)	$6.14(b)	N/A	354.3
1987-1988 % Change	.14%	(6.12%)	N/A	4.08%

(a) This figure is a composite of the four major Electric companies in operation in North Carolina.

(b) This figure is a composite of the four Class A North Carolina Gas Companies.

(c) This figure is the local service revenues divided by the total yearly average number of business and residential access lines on a monthly basis for the twelve largest North Carolina telephone companies.

N/A = Not Available

FIGURE NO. 2-1

TOTAL VOLUME OF PROCEEDINGS BROUGHT BEFORE THE COMMISSION
DURING THE CALENDAR YEAR ENDED DECEMBER 31, 1988

DESCRIPTION	YEAR	BUSES	ELECTRIC	GAS	RAILROADS	TELEPHONE	TRUCKS	WATER & SEWER	GEN. & MISCELL.	GRAND TOTALS
Total Proceedings Before Commission	1988	4	39	49	5	1462	163	245	22	1,989
Disposition of Proceedings										
1. Formal hearings held with orders to follow:	1988	4	18	7	5	23	105	82	2	246
2. Conferences with informal hearings held with the following type of decisions resulting:										
a. Regular and Letter Type	1988	0	21	42	0	422*	58	163	20	726
b. Short form orders issued	1988	0	0	0	0	1,017	0	0	0	1,017
Total Proceedings Accounted For	1988	4	39	49	5	1,462	163	245	22	1,989
Percent of Grand Total	1988	0.20%	1.96%	2.46%	0.25%	73.50%	8.20%	12.32%	1.11%	100.00%
Cases on Appeal at 12-31-88		0	4	3	0	1	0	0	2	10
Docketed Cases Open at 12-31-88		0	12	5	0	7	3	5	8	40

*Includes 358 tariff filings and 24 map filings.

FIGURE NO. 2-2
ELECTRIC, GAS, & TELEPHONE GENERAL RATE CASE DATA
AMOUNTS REQUESTED & GRANTED
FOR CALENDAR YEARS 1971-1988 (A)
($000s)

Electric Group	Requested	Granted	% Granted
1971	$56,533	$39,045	69.1
1972	63,728	48,120	75.5
1973	32,555	22,769	69.9
1974	144,793	61,439	42.4
1975	186,871	175,255	93.8
1976	82,656	82,656	100.0
1977	77,711	49,615	63.8
1978	83,996	51,423	61.2
1979	35,511	28,314	79.7
1980	238,709	172,625	72.3
Sub Total	$1,003,063	$731,261	72.9
1981	$379,813	$299,200	78.8
1982	382,009	80,244	21.0
1983	298,072	186,919	62.7
1984	364,717	195,541	53.6
1985	292,763	157,671	53.9
1986	236,455	133,080	56.3
1987	173,351	92,467	53.3
1988	202,957	134,819	66.4
Sub Total	$2,330,137	$1,279,941	54.9
Grand Total	$3,333,200	$2,011,202	60.3

Gas Group	Requested	Granted	% Granted
1971	$6,414	$4,955	77.3
1972	277	175	63.2
1973	7,220	2,264	31.4
1974	4,806	4,806	100.0
1975	5,952	4,817	80.9
1976	0	0	0.0
1977	4,451	1,514	34.0
1978	18,124	12,533	69.2
1979	5,984	4,353	72.7
1980	1,284	1,216	94.7
Sub Total	$54,512	$36,633	67.2
1981	$8,801	$5,610	63.7
1982	31,397	23,615	75.2
1983	13,615	3,057	22.5
1984	0	0	0.0
1985	19,744	15,049	76.2
1986	13,701	8,393	61.3
1987	357	244	68.3
1988	9,616	6,248	65.0
Sub Total	$97,231	$62,216	64.0
Grand Total	$151,743	$98,849	65.1

Telephone Group	Requested	Granted	% Granted
1971	$25,512	$14,722	57.7
1972	34,323	15,834	46.1
1973	9,299	3,993	42.9
1974	33,812	8,271	24.5
1975	76,477	51,015	66.7
1976	14,683	10,232	69.7
1977	4,325	3,591	83.0
1978	73,766	36,000	48.8
1979	5,812	3,560	61.3
1980	45,282	25,489	56.3
Sub Total	$323,291	$172,707	53.4
1981	$116,382	$74,526	64.0
1982	190,393	114,383	60.1
1983	177,407	67,559	38.1
1984(B)	104,105	56,757	54.5
1985	2,432	879	36.1
1986	11,862	7,077	59.7
1987	712	355	49.9
1988	0	0	0.0
Sub Total	$603,293	$321,536	53.3
Grand Total	$926,584	$494,243	53.3

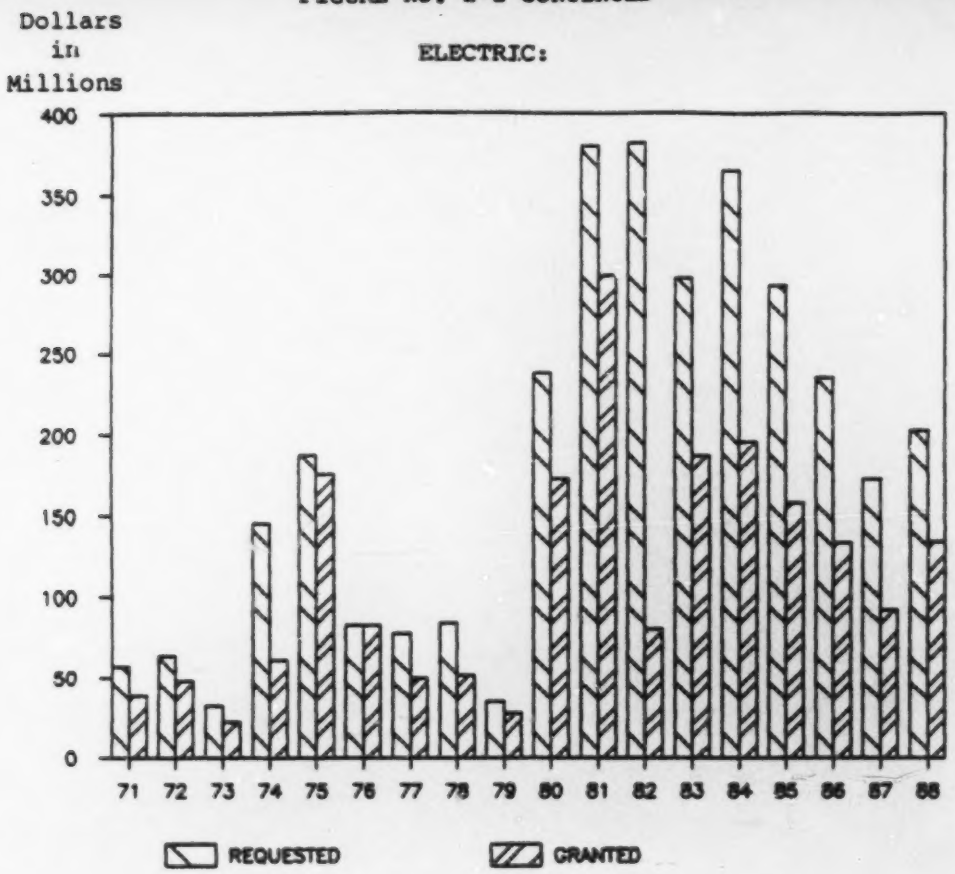
Electric, Gas, & Telephone Groups	Requested	Granted	% Granted
1971	$88,459	$58,722	66.4
1972	98,328	64,129	65.2
1973	49,074	29,026	59.1
1974	183,411	74,516	40.6
1975	269,300	231,087	85.8
1976	97,339	92,888	95.4
1977	86,487	54,720	63.3
1978	175,886	99,956	56.8
1979	47,307	36,227	76.6
1980	285,275	199,330	69.9
Sub Total	$1,380,866	$940,601	68.1
1981	$504,996	$379,336	75.1
1982	603,799	218,242	36.1
1983	489,094	257,535	52.7
1984	468,822	252,298	53.8
1985	314,939	173,599	55.1
1986	262,018	148,550	56.7
1987	174,420	93,066	53.4
1988	212,573	141,067	66.4
Sub Total	$3,030,661	$1,663,693	54.9
Grand Total	$4,411,527	$2,604,294	59.0

(A) Regarding the columns entitled amounts requested and granted, the final amounts requested from the utility companies are listed.

(B) These figures include an amount ($4,781,000) of toll revenues from the American Telephone & Telegraph Company toll settlement hearing (Docket No. P-100, Sub 69, dated 9-14-84).

FIGURE NO. 2-2 CONTINUED

ELECTRIC:



GAS:

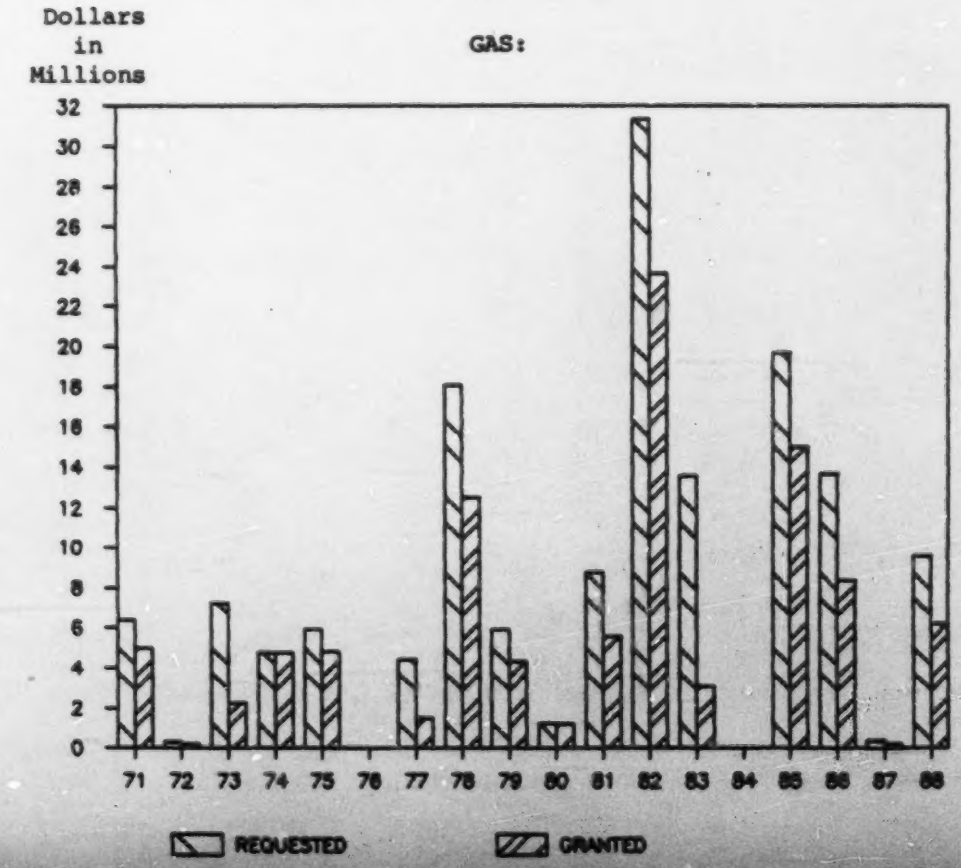
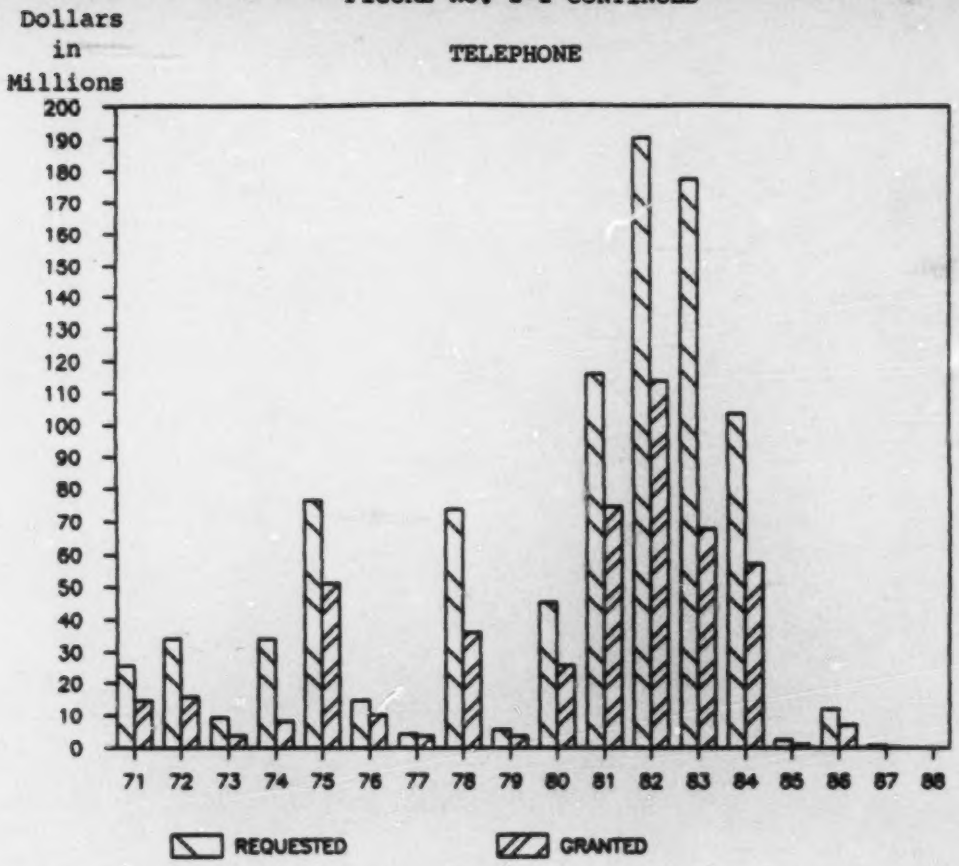
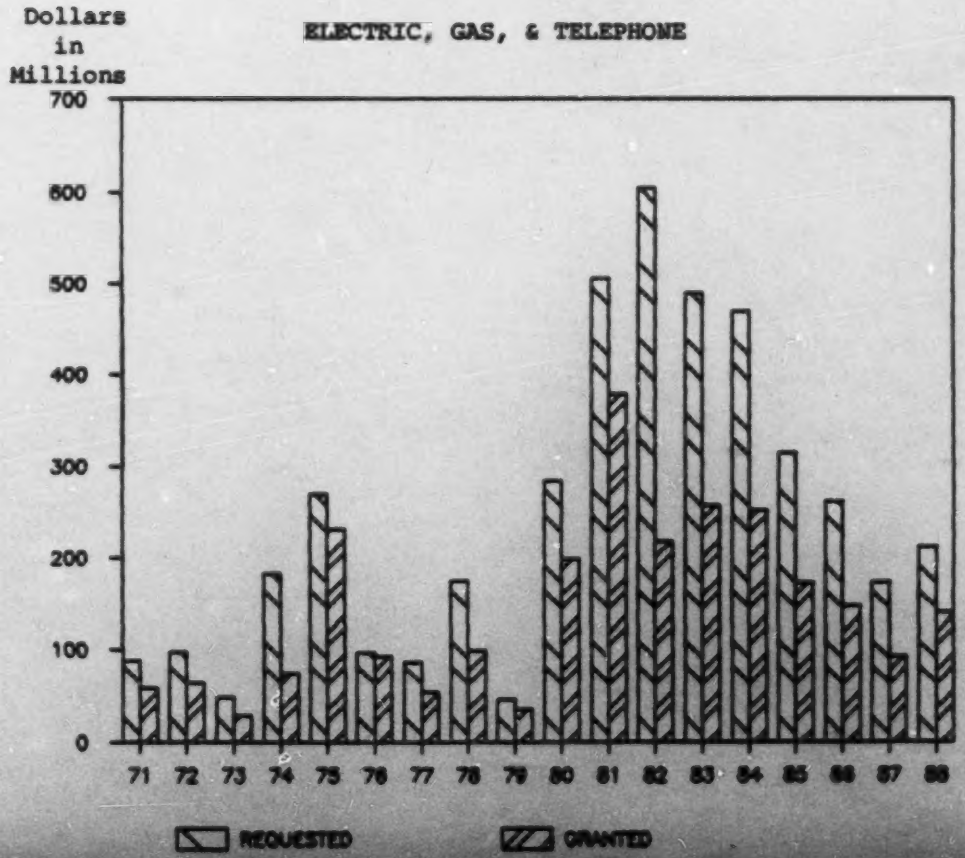


FIGURE NO. 2-2 CONTINUED





[redacted]

A. OVERVIEW OF SIZE, OPERATING RESULTS, AND NUMBER OF COMPANIES REGULATED

As shown on Figure No. 3-1, the major regulated electric, gas, and telephone companies experienced increases in plant investment, total capitalization, and total customers served or access lines in service. At December 31, 1987, there were 1,534 companies regulated by the North Carolina Utilities Commission as compared with 1,545 in 1986. In addition, 80 municipal utility systems, while not regulated by the Commission, were required to file annual reports, making a grand total of 1,614 utilities regulated or required to file annual reports as of December 31, 1987. Many changes take place annually in various utility groups since new companies are being certified and others are being deleted because of sales, mergers, and abandonments. See Figure No. 3-2.

B. COMMISSION CASE LOAD: FORMAL AND INFORMAL HEARINGS

In addition to the multiplicity of decisions made informally by the Commission in conferences with its staff and interested parties, the Commission maintains a full docket of formal and semiformal hearings and conferences. There are many small complaints and inquiries disposed of daily by individual Commissioners and individual staff heads (both Commission and Public Staff). These complaints are handled through discussions with utility customers, executives, representatives, organizations, and associations.

During 1987 there were 1,863 proceedings acted upon, as compared to 1,605 proceedings in 1986. There were 255 formal hearings and 1,608 informal hearings in 1987. In 1986 there were 239 formal hearings and 1,366 informal hearings.

The proceedings required much time and effort by personnel of both the Commission and Public Staff and even more time in actual public hearings. The number of pages transcribed by the court reporters for the years 1975 through 1987 are as follows:

Year	No. of Pages Transcribed
1975	27,938
1976	23,942
1977	30,056
1978	34,057
1979	28,442
1980	28,829
1981	34,205
1982	25,447
1983	28,191
1984	27,737
1985	23,051 (a)
1986	20,510 (a)
1987	16,716 (a)

(a) The number of full-time court reporters vary from year to year, and in 1986 one position was eliminated. As a result of the fluctuation in the number of reporters, outside court reporting firms transcribed 6,090 additional pages in 1985, 1,755 additional pages in 1986, and 2,634 additional pages in 1987.

The general rate increase hearings continued to generate much public interest in 1987. The Attorney General represented some segments of the public sector who wished to intervene, while others provided their own legal counsel. In addition, the Public Staff intervened in most cases and made their recommendations to the Commissioners. The Public Staff was created by the 1977 Legislature as an independent advocate charged with the responsibility of representing the using and consuming public.

Many docketed issues are settled by letter type orders and rulings. There were 821 letter-type orders issued in 1987. These are largely matters in which no one has intervened or no general public interest has been demonstrated, as in the case of many gas, electric, telephone, and transpor-

tation filings. This type of proceeding generally requires only about 10% to 20% of the time of the Commission staff and Commissioners.

Complaint Activity

Another important facet of the Commission and Public Staff workload involves the handling of customer complaints dealing with all aspects of utility operations and services. A vast majority of these complaints are settled without becoming a docketed item and going into formal hearing proceedings. The Public Staff's Consumer Services Division investigated and resolved a majority of these complaints. To illustrate the magnitude of this phase of the Commission workload, the number of complaints received and handled in 1987 was 5,257 compared to 4,751 in 1986 and 4,913 in 1985.

C. GENERAL IMPACT OF THE REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA IN 1987

The regulated utility companies made significant contributions to the economy of the State during 1987. There were 1,614 major utility companies in 1987 compared to 1,625 major utility companies in 1986. Figure Nos. 3-3, 3-4, and 3-5 portray the magnitude of the contributions in chart and table form. In 1987 employment by the utilities showed an increase of 2.2% from the previous year. Salaries and wages paid to the utility employees continued to increase in dollar amounts from more than $2.5 billion in 1986 to nearly $2.7 billion in 1987, an 8.2% increase. It should be noted that the salaries and wages paid by motor freight and motor passenger carriers include some nonregulated salaries and wages. Accurate and precise separated data is not currently available.

State income, franchise, and property taxes paid by the regulated sector of the State's business community continued to be substantial. The decline in the franchise tax is largely due to the transfer of approximately 50 percent of what used to be the six percent gross receipts tax on telephone companies and public utilities to the sales tax schedule. The transfer was enacted to enable North Carolina tax-payers who itemize income tax expenses to use that portion of the tax as a deduction against federal personal income taxes.

Type Taxes	Utilities Percent of State Totals 1986	1987
State Franchise Taxes	64.3	69.4
Local Property Taxes	5.4	5.2
State Income Taxes (Corporations Only)	16.7	14.5
Bus and Truck Fees	15.0	14.7
Total of Above Taxes	13.9	13.7

In 1987, gross operating revenues continued to increase for both electric and telephone utilities. Figure No. 3-5 depicts this growth with the four Class A electric companies showing an increase of 5.9% in 1987 compared to 1986.

Investment in gross plant allocated to North Carolina by the electric, gas, and telephone utility companies continued to increase over the previous year. There was a 6.7% increase in the 1987 total gross plant allocated to North Carolina compared to the previous year, making a total of more than $19 billion as of December 31, 1987, ($19,985,716). The increased electric and gas plant investment will serve the increasing number of electric and gas customers which numbered 2,494,843 in 1987 compared to 2,397,760 in 1986. In 1987 there were 2,866,727 telephone access lines reported compared to 2,746,345 in 1986. The telephone industry changed its system of reporting the number of telephones served by each company to the number of access lines (P-100, Sub 58, dated January 11, 1982). As a result of the 4.4% increase in access lines, more funds will be required to provide adequate service to these additional access lines. The

use of the term "access" lines instead of "main" lines and the change in method of counting these lines results primarily from the divestiture of American Telephone and Telegraph Company of its operating companies.

The regulated motor freight, motor passenger, and railroad industries play an important role in the industry of North Carolina. However, due to accounting classification changes and the changes in reporting of information by carriers, less information was available than has been in the past. For detailed information please refer to section nine for The Transportation Industry -- Motor Freight Carriers, section ten for The Transportation Industry -- Motor Passenger Carriers, and section eleven for The Transportation Industry -- Railroads.

FIGURE NO. 3-1

HIGHLIGHTS OF ACTIVITIES
ELECTRIC, GAS, & TELEPHONE UTILITIES
1987 VS. 1986
(Dollars in Thousands)

HIGHLIGHTS OF ACTIVITIES	ELECTRIC - MAJOR COMPANIES			GAS - ALL CLASSES			TELEPHONE - ALL CLASSES		
	1986	1987	% Change	1986	1987	% Change	1986	1987	% Change
Revenues and Expenses (N.C. Only):									
Operating Revenues	$4,306,121	$4,559,258	5.9	$609,837	$615,345	1.0	$2,414,040	$2,455,067	1.7
Operating Expenses	3,563,519	3,687,193	3.5	566,432	564,356	(0.4)	2,030,980	2,046,409	0.8
Net Operating Income Including Taxes	$742,602	$872,065	17.4	$42,685	$50,989	19.7	$383,060	$409,458	6.9
Other Income (Deductions) Net (A)	306,206	201,399	(34.2)	3,008	3,348	0.4	30,222	26,511	(12.3)
Fixed Charges	390,835	391,231	0.1	21,079	21,264	0.9	107,494	103,581	(3.6)
Net Income	$658,053	$682,233	3.7	$24,614	$33,073	34.4	$305,788	$332,388	8.7
Plant (N.C. Only):									
Gross Plant (B)	$12,927,876	$13,766,242	6.5	$638,773	$699,873	9.6	$5,077,225	$5,519,601	8.7
Accumulated Depreciation	3,007,388	3,381,266	12.4	192,276	214,825	11.7	1,510,779	1,751,503	15.9
Net Plant	$9,920,488	$10,384,976	4.7	$446,497	$485,048	8.6	$3,566,446	$3,768,098	5.7
Capital Structure (Systemwide):									
Capital Stock & Surplus	$9,781,800	$10,342,966	5.7	$233,356	$264,022	13.1	$7,927,316	$8,252,925	4.1
Long-Term Debt	8,944,691	9,093,216	1.7	241,276	234,440	(2.8)	5,256,410	5,263,425	0.1
Total Capital Structure	$18,726,491	$19,436,182	3.8	$474,632	$498,462	5.0	$13,183,726	$13,516,350	2.5
Long-Term Debt % of Total Capitalization	47.8	46.8	(2.1)	50.8	47.0	(7.5)	39.9	38.9	(2.3)
Other Statistics (N.C. Only):									
Total Customers Yearly Average	1,963,750	2,025,286	3.1	434,010	469,557	8.2			
Average Number of kWhs per Residential Customer	12,051	12,472	3.5						
Average Number of Dekathems Used Per Residential Customer				78	82	5.1			
Average Revenue per kWh or Dekathem per Residential Customer (Cents)	$7.15	$7.31	2.2	$6.50	$6.54	0.6			
Total Access Lines in Service							2,746,345	2,866,727	4.4
Average No. of Calls per Access Line: (C)									
Local							2,809	3,027	4.8
Toll							511	574	12.3

(A) Includes all allowance for funds used during construction (AFUDC) and all extraordinary and delayed items.
(B) Includes Plant in Service, Under Construction, Held for Future Use, and Leased to Others.
(C) Information available for the nine largest telephone companies.

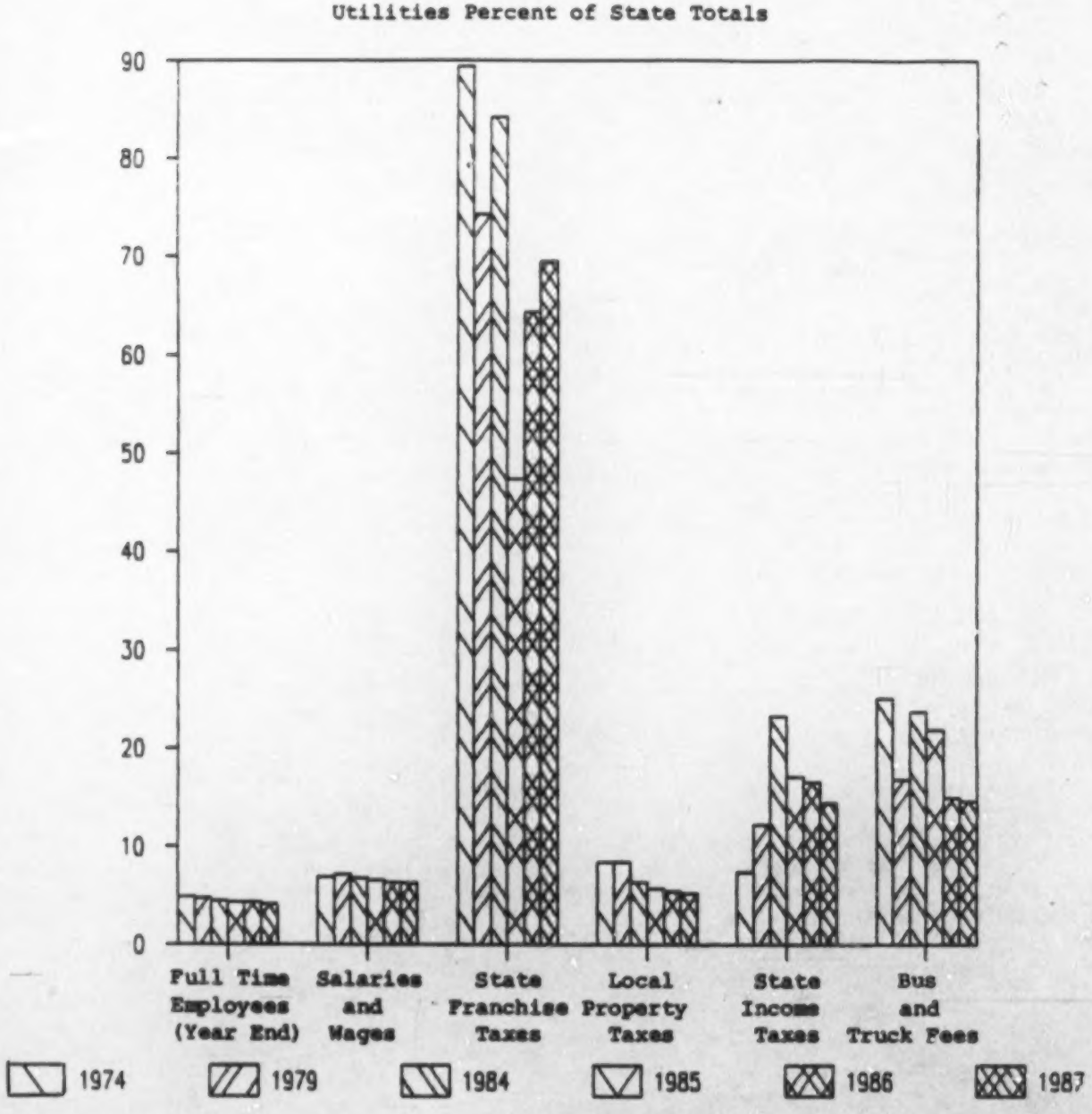
FIGURE NO. 3-2

MAJOR UTILITIES REGULATED AND REPORTING TO THE
NORTH CAROLINA UTILITIES COMMISSION
1978, 1984, 1985, 1986, 1987

Type of Utility or Service	Number as of December 31				
	1978	1984	1985	1986	1987
Electric	10	7	6	6	6
Gas	5	4	4	4	4
Motor Freight Carriers by Type:					
Common Carriers	533	642	681	789	743
Contract Carriers	89	195	209	162	180
Common & Contract Carriers	21	53	57	49	66
Railroad Motor Freight Carriers	5	0	0	0	0
Total Motor Freight Carriers	648	890	947	1,000	989
Motor Passenger Carriers by Type:					
Common Carriers	59	45	46	46	41
Contract Carriers	4	1	1	2	1
Intracity Carriers (Fares only regulated)	10	2	2	4	2
Total Motor Passenger Carriers	73	48	49	52	44
Motor Boat Common Carriers	2	3	3	3	3
Railroad Companies	23	20	22	21	23
Transportation Brokers	27	62	58	58	61
Telephone	22	20	20	20	20
Telegraph	1	1	1	1	1
Water & Sewer	403	378	386	380	383
Total Utilities Under Regulation	1,214	1,433	1,496	1,545	1,534
Municipal Utility Systems Required to File Annual Reports with N.C. Utilities Commission:					
Electric	71	71	71	71	71
Gas	8	8	8	8	8
Telephone	1	1	1	1	1
Total Municipals Filing Annual Reports	80	80	80	80	80
Grand Total of all Utilities Regulated or Required to File Reports	1,294	1,513	1,576	1,625	1,614

FIGURE NO. 3-3

IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA
1974, 1979, 1984, 1985, 1986, & 1987



1987 Data
(Dollars in 000s)

Utilities	101,142	$ 2,669,517	$194,963	$ 98,737	$ 81,986	$10,958
State Totals	2,393,592	$42,366,808	$280,968	$1,906,847	$563,529	$74,445

FIGURE NO. 3-4
IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA
SELECTED STATISTICS ABOUT EMPLOYMENT, WAGES, AND CERTAIN TAXES
PAID OR LEVIED--FOR THE YEARS 1969, 1974, 1979, 1984, 1985, 1986, AND 1987

NUMBER OF FULL-TIME EMPLOYEES (N.C. PORTION ONLY)

UTILITY	1969	1974	1979	1984	1985	1986	1987
Electric (Major)	8,824	14,524	17,959	21,017	21,798	23,075	22,575
Gas	1,863	1,851	1,891	2,305	2,404	2,697	2,577
Telephone	16,526	20,146	21,188	17,170	16,523	16,309	16,660
Motor Freight Carriers (A)	33,472	37,183	41,734	46,298	47,917	49,633	52,719
Motor Passenger Carriers (A)	2,667	2,770	2,168	2,197	2,076	2,166	2,041
Railroads	7,449	7,515	6,987	6,183	5,428	5,072	4,541
Western Union	294	239	110	66	53	40	29
Total Utilities	71,095	84,228	92,037	95,236	96,199	98,992	101,142
Total for State	1,333,349	1,724,709	1,935,641	2,138,137	2,223,223	2,297,759	2,393,592
Utilities % of State Total	5.3%	4.9%	4.8%	4.5%	4.3%	4.3%	4.2%

SALARIES AND WAGES PAID N.C. EMPLOYEES (000S)

UTILITY	1969	1974	1979	1984	1985	1986	1987
Electric (Major)	$69,817	$168,099	$297,320	$586,984	$647,158	$705,671	$753,196
Gas	12,716	17,094	26,774	48,771	53,141	59,957	62,080
Telephone	108,143	206,008	359,413	458,157	474,053	490,138	526,986
Motor Freight Carriers (A)	253,258	397,185	657,291	941,821	974,330	1,035,028	1,141,861
Motor Passenger Carriers (A)	16,508	22,578	27,787	36,736	34,909	37,153	33,433
Railroads	66,028	100,255	136,493	160,162	154,903	138,017	151,041
Western Union	2,006	1,899	1,324	2,219	2,186	1,181	920
Total Utilities	$528,476	$913,118	$1,506,402	$2,234,850	$2,340,680	$2,467,145	$2,669,517
Total for State (A)	$7,380,668	$13,107,494	$21,050,398	$32,761,445	$35,586,322	$38,561,539	42,366,808
Utilities % of State Total	7.2%	7.0%	7.2%	6.8%	6.6%	6.4%	6.3%

AVERAGE ANNUAL COMPENSATION

UTILITY	1969	1974	1979	1984	1985	1986	1987
Electric (Major)	$7,912	$11,754	$16,555	$27,929	$29,689	$30,582	$33,364
Gas	6,825	9,235	14,159	21,159	22,105	22,231	24,090
Telephone	6,544	10,226	16,963	26,683	29,690	30,053	31,632
Motor Freight Carriers	7,566	10,682	15,750	20,343	20,334	20,854	21,659
Motor Passenger Carriers	6,190	8,151	12,817	16,721	16,816	17,153	16,381
Railroads	8,864	13,341	19,535	25,904	28,538	27,212	33,262
Western Union	6,823	7,946	12,036	33,621	41,245	29,525	31,724
Total Utilities	$7,433	$10,841	$16,367	$23,466	$24,332	24,923	26,394
Total for State	$5,535	$7,600	$10,875	$15,322	$16,007	16,782	17,700

(A) Table 1, "Insured Employment & Wage Payments" for years reported: Motor Freight--Industry Group 421; Motor Passenger--Industry Group 411 & 413. This data includes both regulated and nonregulated. The regulated freight carriers number about 1/3 and the passenger carriers about 58% of the total carriers included in the statewide industry groupings. A reliable and accurate separation between regulated and nonregulated wages and salaries for these groups is not available. State totals are for all industries with insured employment.

FIGURE NO. 3-4 CONTINUED
IMPACT OF REGULATED UTILITIES ON THE ECONOMY OF NORTH CAROLINA
SELECTED STATISTICS ABOUT EMPLOYMENT, WAGES, AND CERTAIN TAXES
PAID OR LEVIED--FOR THE YEARS 1969, 1974, 1979, 1984, 1985, 1986, AND 1987

STATE FRANCHISE TAXES (000S)

UTILITY	1969	1974	1979	1984	1985	1986	1987
Electric (Major)	$24,338	$63,952	$117,579	$212,661	$113,854	$119,412	$128,361
Gas	5,210	8,469	20,427	43,728	20,894	18,802	19,851
Telephone	13,799	25,982	46,989	71,511	42,579	30,358	44,511
Railroads (A)	1,256	1,507	1,713	1,618	1,399	2,948	2,218
Western Union (A)	27	32	41	44	41	42	22
Total Utilities	$44,630	$99,942	$186,749	$329,562	$178,767	$171,562	$194,963
Total for State (B)	$60,597	$111,742	$250,918	$391,316	$377,154	$266,795	$280,968
Utilities % of State Total	73.7%	89.4%	74.4%	84.2%	47.4%	64.3%	69.4%

LOCAL PROPERTY TAXES (000S)

UTILITY	1969	1974	1979	1984	1985	1986	1987
Electric (Major)	$12,436	$22,806	$33,393	$43,186	$42,695	$53,225	57,310
Gas	2,173	2,731	2,984	3,594	3,958	4,201	4,049
Telephone	10,251	20,655	30,084	29,729	30,697	31,848	31,454
Motor Freight Carriers	1,405	1,721	1,513	1,444	1,484	2,066	2,447
Railroads	3,144	3,427	4,613	7,426	5,001	2,630	3,436
Western Union (C)	40	66	56	68	69	53	41
Total Utilities	$29,449	$51,406	$72,643	$85,447	$83,904	$94,023	$98,737
Total for State (D)	$389,764	$614,893	$867,422	$1,338,227	$1,468,470	$1,753,362	$1,906,847
Utilities % of State Total	7.6%	8.4%	8.4%	6.4%	5.7%	5.4%	5.2%

STATE INCOME TAXES (000S)

UTILITY	1969	1974	1979	1984	1985	1986	1987
Electric (Major)	$4,390	$2,341	$16,460	$55,737	$51,130	$45,023	$32,890
Gas	592	933	1,420	2,380	881	1,564	3,592
Telephone	4,785	7,071	14,223	23,405	27,259	30,384	36,832
Motor Freight (Class I & II) (E)	422	1,159	1,500	3,443	3,502	3,694	4,448
Motor Passenger Carriers (E)	131	113	177	57	51	54	52
Railroads	613	644	1,326	565	1,356	4,514	4,172
Total Utilities	$10,933	$12,261	$35,106	$85,587	$84,179	$85,233	$81,986
Total for State (Corps.) (A)	$109,118	$165,474	$284,669	$367,824	$489,656	$510,675	$563,529
Utilities % of State Total	10.0%	7.4%	12.3%	23.3%	17.2%	16.7%	14.5%

BUS & TRUCK FEES (000S) (F)

UTILITY	1969	1974	1979	1984	1985	1986	1987
Motor Freight Carriers(Class I & II)	$9,105	$9,468	$9,763	$14,479	$13,955	$9,871	$10,396
Motor Passenger Carriers	344	526	603	783	754	534	562
Total Utilities	$9,449	$9,994	$10,366	$15,262	$14,709	$10,405	$10,958
Total for State	$32,343	$39,793	$61,214	$64,528	$67,011	$69,200	74,445
Utilities % of State Total	29.2%	25.1%	16.9%	23.7%	22.0%	15.0%	14.7%

FOOTNOTES FOR FIGURE NO. 3-4

(A) "Statement of the Condition of the General Fund" for the appropriate year

(B) "Statement of the Condition of the General Fund" - total franchise taxes, plus "Tax Guide" - truck plate and international registration plan (IRP) taxes

(C) Derived from the valuation of property and the property tax rate for the appropriate year. Numbers obtained from tables 73 and 76 of the "Statistics of Taxation"

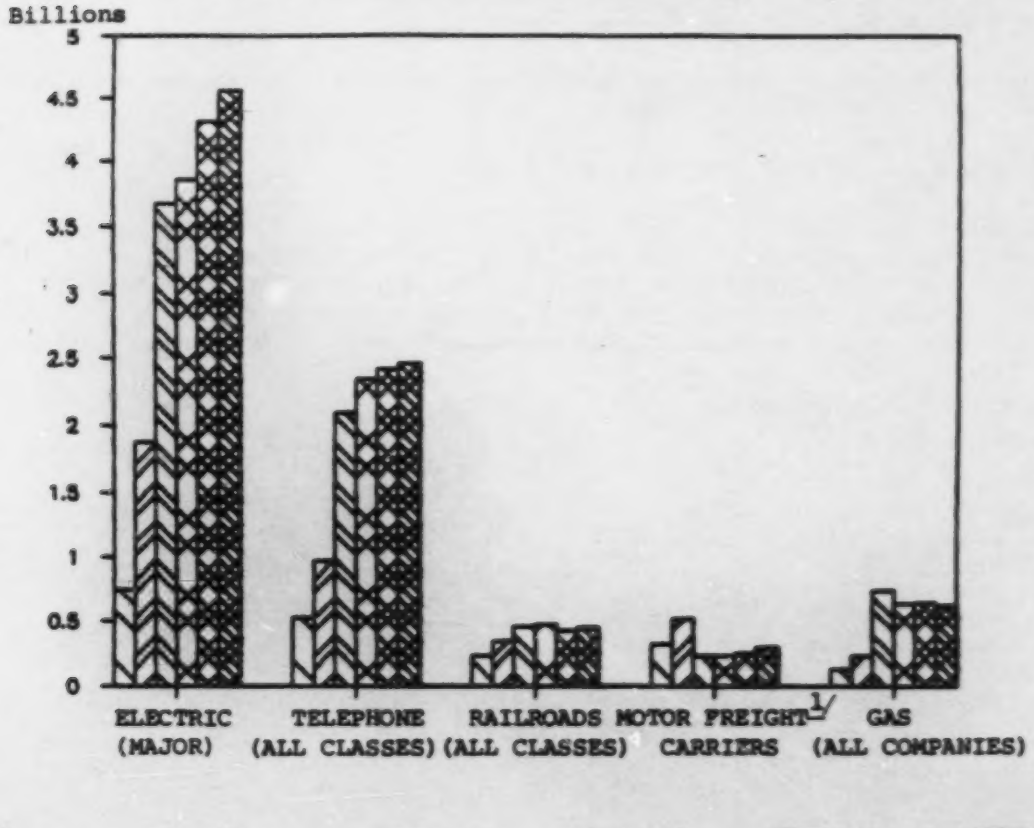
(D) "Statistics of Taxation" table 72 for the appropriate year

(E) "Statistics of Taxation" table 41 for the appropriate year
The 1985-1987 state income taxes for Motor Freight & Motor Passenger Carriers was not available from the Tax Research Division of the NC Department of Revenue; therefore, the numbers have been calculated using the gross operating revenue % increase or decrease for the appropriate year and applying it to the previous year's income tax

(F) "Tax Guide" for the appropriate year

FIGURE NO. 3-5
GROSS OPERATING REVENUES OF THE MAJOR UTILITIES IN NORTH CAROLINA
N.C. DATA ONLY

For the Calendar Years 1973, 1978, 1984, 1985, 1986, & 1987



	Motor Passenger Carriers[2]	Water & Sewer[3][4]	Western Union
1973	$30.1 Million	$3.1 Million	$748 Thousand
1978	26.3 Million	3.5 Million	793 Thousand
1984	37.7 Million	8.1 Million	745 Thousand
1985	33.8 Million	8.3 Million	681 Thousand
1986	35.8 Million	11.4 Million	701 Thousand
1987	34.5 Million	12.8 Million	370 Thousand

1/ Classes I and II were used. ICC reclassification of carriers in 1979 reduced Class I and Class II carriers sharply.

2/ Includes Class I and II carriers.

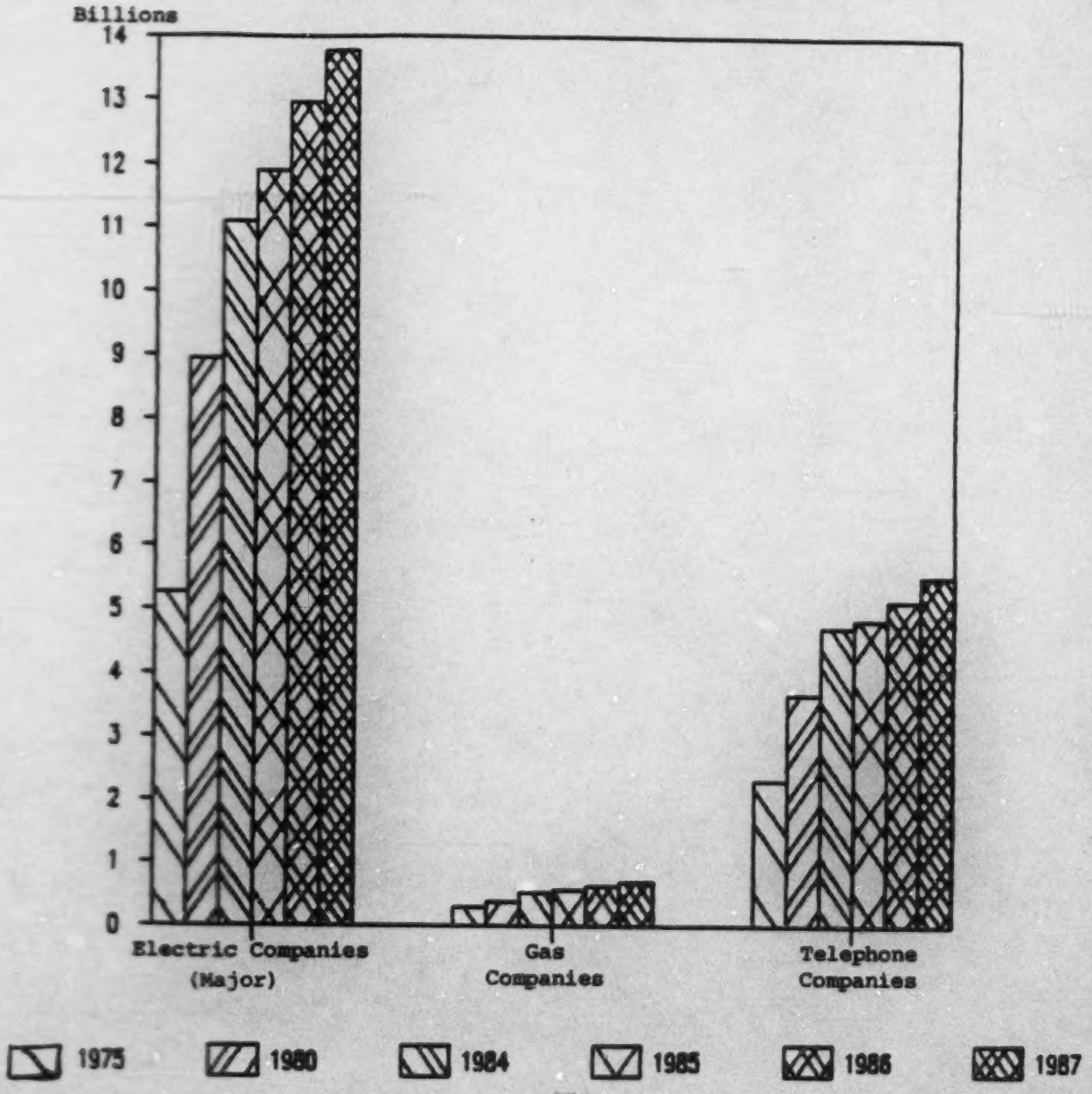
3/ For 1968-1973, 65 of the larger companies.

4/ For 1985, 13 of the larger companies. For 1986 and 1987, 14 of the larger companies.

FIGURE NO. 3-6

GROSS PLANT ALLOCATED TO SERVE NORTH CAROLINA CUSTOMERS
ELECTRIC--GAS--TELEPHONE

For the Years 1975, 1980, 1984, 1985, 1986, & 1987



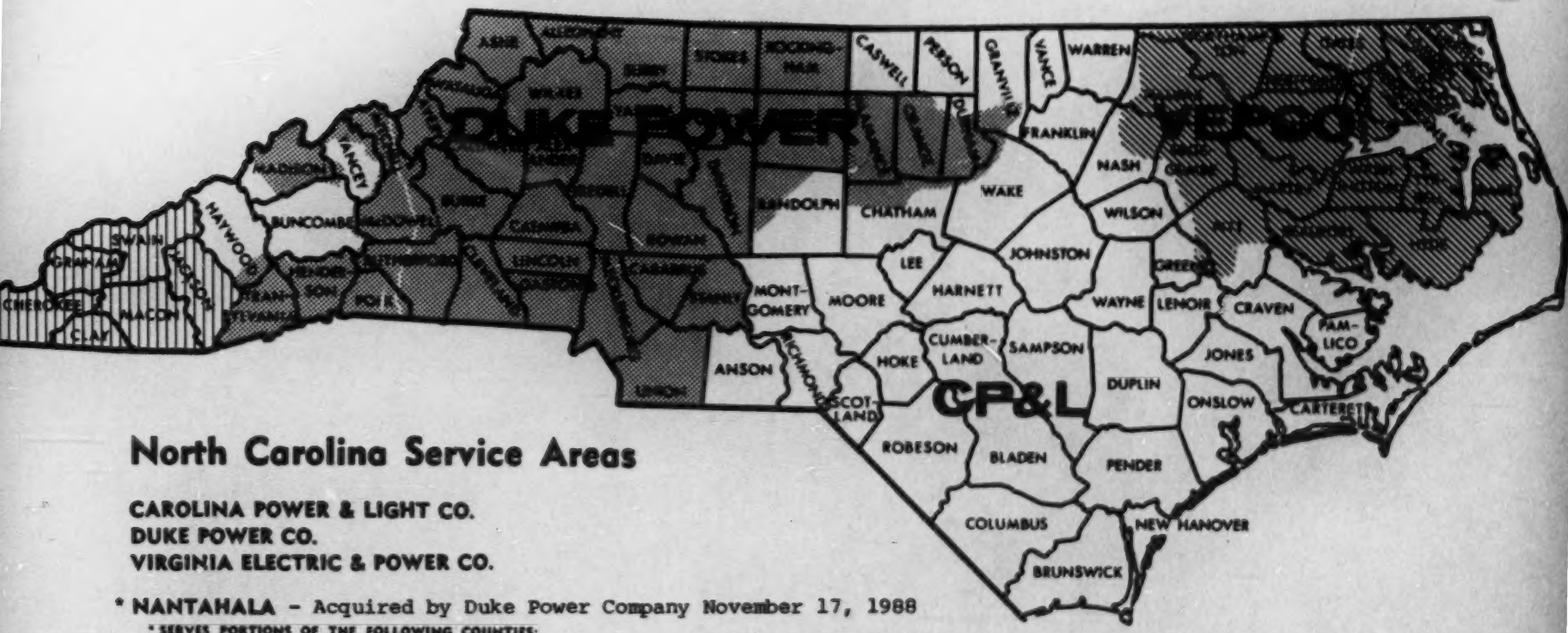
IV. The Electric Power Industry

FIGURE NO. 4-1

Private Power Company Service Areas

CLASS A COMPANIES

Regulated by North Carolina Utilities Commission



North Carolina Service Areas

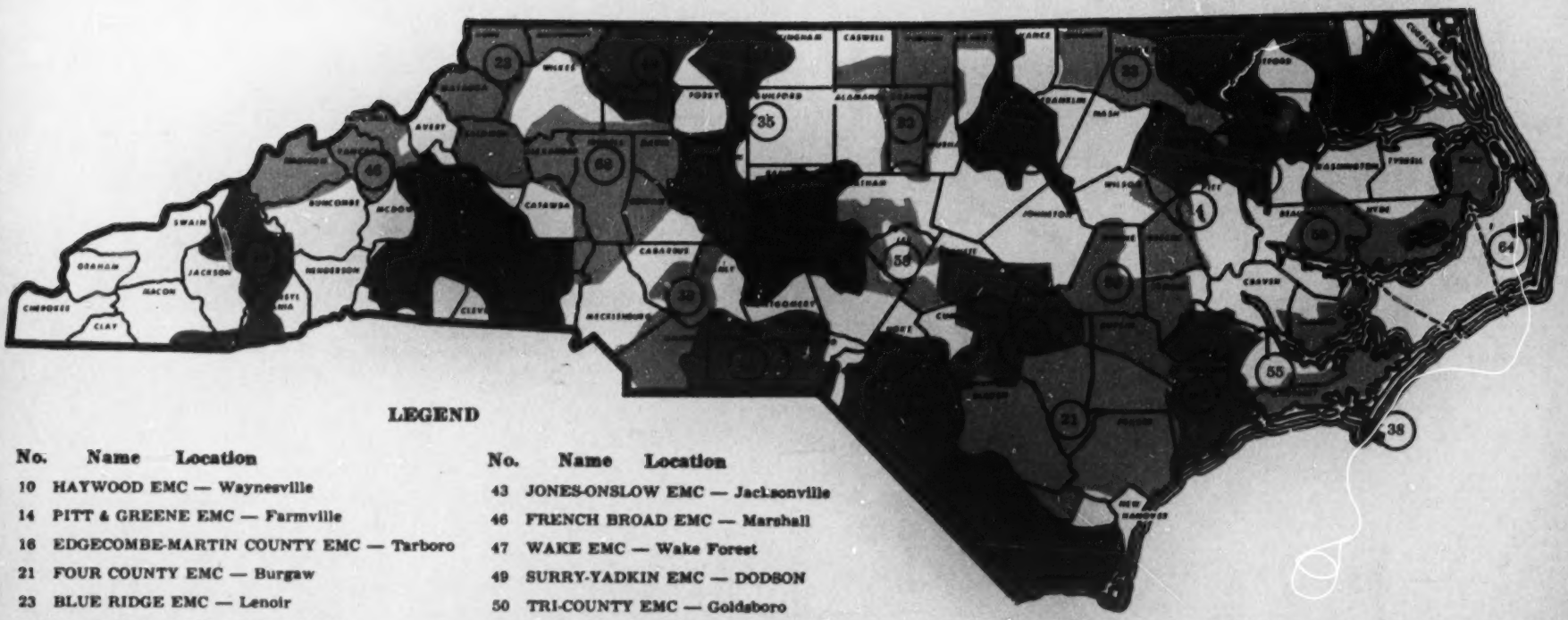
CAROLINA POWER & LIGHT CO.
DUKE POWER CO.
VIRGINIA ELECTRIC & POWER CO.

* **NANTAHALA** - Acquired by Duke Power Company November 17, 1988

* SERVES PORTIONS OF THE FOLLOWING COUNTIES:
CHEROKEE, CLAY, GRAHAM, JACKSON, MACON, SWAIN

Service Area Boundaries as of
January 1, 1989

NORTH CAROLINA ELECTRIC MEMBERSHIP CORPORATIONS



LEGEND

No.	Name	Location
10	HAYWOOD EMC	Waynesville
14	PITT & GREENE EMC	Farmville
16	EDGECOMBE-MARTIN COUNTY EMC	Tarboro
21	FOUR COUNTY EMC	Burgaw
23	BLUE RIDGE EMC	Lenoir
25	RUTHERFORD EMC	Forest City
31	ROANOKE EMC	Rich Square
32	PIEDMONT EMC	Hillsborough
33	HALIFAX EMC	Enfield
34	PEE DEE EMC	Wadesboro
35	DAVIDSON EMC	Lexington
36	RANDOLPH EMC	Asheboro
38	HARKERS ISLAND EMC	Harkers Island
39	UNION EMC	Monroe
40	BRUNSWICK EMC	Shallotte
43	JONES-ONSLOW EMC	Jacksonville
46	FRENCH BROAD EMC	Marshall
47	WAKE EMC	Wake Forest
49	SURRY-YADKIN EMC	DODSON
50	TRI-COUNTY EMC	Goldsboro
51	LUMBEE RIVER EMC	Red Springs
52	SOUTH RIVER EMC	Dunn
55	CARTERET-CRAVEN EMC	Morehead City
58	CENTRAL EMC	Sanford
59	TIDELAND EMC	Pantego
64	CAPE HATTERAS EMC	Buxton
66	ALBEMARLE EMC	Hertford
68	CRESCENT EMC	Statesville

FIGURE NO. 4-2

Service Area Boundaries as of January 1, 1989

NORTH CAROLINA ELECTRIC MEMBERSHIP CORPORATION
3333 North Boulevard
Raleigh, N.C. 27604

FIGURE NO. 4-3

MAJOR ELECTRIC COMPANIES
At December 31, 1988

CAROLINA POWER & LIGHT COMPANY
RALEIGH, NORTH CAROLINA

Organized: April 6, 1926
Chairman, President, and Chief Executive Officer:
Sherwood H. Smith, Jr., Raleigh, N.C.
Service (for North Carolina): Electric
States Served: North Carolina and South Carolina

DUKE POWER COMPANY
CHARLOTTE, NORTH CAROLINA

Organized: May 1917
Chairman of the Board and Chief Executive Officer: William S. Lee
Charlotte, N.C.
President and Chief Operating Officer:
Douglas W. Booth--Charlotte, N.C.
Service (For North Carolina):
Electric, Water, Bus
States Served: North Carolina and South Carolina

NANTAHALA POWER AND LIGHT COMPANY
ACQUIRED BY DUKE POWER COMPANY
NOVEMBER 17, 1988
FRANKLIN, NORTH CAROLINA

Organized: July 23, 1929
President and Chief Executive Officer:
E. N. Hedgepeth
Executive Vice-President:
N. E. Tucker, Jr.
Service (For North Carolina): Electric
State Served: North Carolina

VIRGINIA ELECTRIC AND POWER COMPANY
DOING BUSINESS AS
NORTH CAROLINA POWER COMPANY

Organized: June 29, 1909
Chairman of the Board and Director:
William W. Berry
President, Chief Executive Officer and Director: Jack H. Ferguson
Richmond, Virginia
Service (For North Carolina): Electric
States Served: North Carolina and Virginia.

NON-MAJOR ELECTRIC COMPANIES
At December 31, 1988

COMPANY	COUNTY SERVED**
New River Light & Power	Watauga County
Western Carolina University	Jackson County

**Entire county is not served by the companies listed.

MUNICIPAL ELECTRIC SYSTEMS AND SOURCE OF POWER

Municipality	Source of Power
Albemarle	Duke Power Company
Apex	Carolina Power & Light
Ayden	Carolina Power & Light
Belhaven	North Carolina Power
Benson	Carolina Power & Light
Black Creek	Wilson
Boone (ASU)	New River Light & Power
Bostic	Duke Power Company, Southeastern Power Administration
Cherryville	Duke Power Company Shelby
Clayton	Carolina Power & Light
Concord	Duke Power Company
Cornelius	Duke Power Company Crescent Electric Membership Corporation
Dallas	Duke Power Company
Drexel	Duke Power Company Southeastern Power Administration
Edenton	North Carolina Power
Elizabeth City	North Carolina Power
Farmville	Carolina Power & Light
Fayetteville	Carolina Power & Light
Forest City	Duke Power Company
Fountain	Farmville
Fremont	Carolina Power & Light
Gastonia	Duke Power Company
Granite Falls	Duke Power Company
Greenville	North Carolina Power
Hamilton	North Carolina Power
Hertford	North Carolina Power
High Point	Duke Power Company

FIGURE NO. 4-3 CONTINUED

At December 31, 1988

Highlands	Nantahala Power & Light
Hobgood	North Carolina Power
Hookerton	Carolina Power & Light
Huntersville	Duke Power Company
Kings Mountain	Duke Power Company
Kinston	Carolina Power & Light
LaGrange	Carolina Power & Light
Landis	Duke Power Company
Laurinburg	Carolina Power & Light
Lexington	Duke Power Company
Lincolnton	Duke Power Company
Louisburg	Carolina Power & Light
	Southeastern Power Administration
Lucama	Wilson
Lumberton	Carolina Power & Light
Macclesfield	Wilson
Maiden	Duke Power Company
Monroe	Duke Power Company
Morganton	Duke Power Company
	Southeastern Power Administration
Murphy	TVA
New Bern	Carolina Power & Light
Newton	Duke Power Company
Oak City	Edgecombe-Martin Electric Membership Corporation
Pikeville	Carolina Power & Light
Pinetops	Wilson
Pineville	Duke Power Company
Red Springs	Carolina Power & Light
Robersonville	North Carolina Power
Rocky Mount	Carolina Power & Light
Scotland Neck	North Carolina Power
Selma	Carolina Power & Light
Sharpsburg	Rocky Mount
Shelby	Duke Power Company
Smithfield	Carolina Power & Light
Southport	Carolina Power & Light
Statonsburg	Wilson
Statesville	Duke Power Company
Tarboro	North Carolina Power
Wake Forest	Carolina Power & Light
Walstonburg	Wilson
Washington	North Carolina Power
Waynesville	Carolina Power & Light
Wilson	Carolina Power & Light
Windsor	North Carolina Power
Winterville	Greenville

Total: 71

FIGURE NO. 4-4

ELECTRIC MEMBERSHIP CORPORATIONS
AND SOURCE OF POWER
At December 31, 1988

Electric Membership Corporation	Headquarters	Source of Power*
Albemarle	Hertford	NCEMC, SEPA
Blue Ridge	Lenoir	Duke, SEPA
Brunswick	Shallotte	CP&L, SEPA
Cape Hatteras	Buxton	NCEMC
Carteret-Craven	Morehead City	CP&L, SEPA
Central	Sanford	CP&L, SEPA
Crescent	Statesville	Duke, SEPA
Davidson	Lexington	Duke
Edgecombe-Martin County	Tarboro	NCEMC, SEPA
Four County	Burgaw	CP&L, SEPA
French Broad	Marshall	CP&L
Halifax	Enfield	CP&L, NCEMC, SEPA
Harkers Island	Harkers Island	CP&L
Haywood	Waynesville	CP&L, Duke, SEPA Nantahala
Jones-Onslow	Jacksonville	CP&L, SEPA
Lumbee River	Red Springs	CP&L, SEPA
Pee Dee	Wadesboro	CP&L, Duke, SEPA
Piedmont	Hillsborough	CP&L, Duke, SEPA
Pitt & Greene	Farmville	CP&L, SEPA
Randolph	Asheboro	CP&L, SEPA
Roanoke	Rich Square	CP&L, SEPA
Rutherford	Forest City	Duke, SEPA
South River	Dunn	CP&L, SEPA
Surry-Yadkin	Dobson	Duke
Tideland	Pantego	CP&L, NCEMC, SEPA
Tri-County	Dudley	CP&L, SEPA
Union	Monroe	Duke, SEPA
Wake	Wake Forest	CP&L, Duke, SEPA

* Carolina Power & Light Company (CP&L)
Duke Power Company (Duke)
Nantahala Power & Light Company (Nantahala)
North Carolina Electric Membership Corporation (NCEMC)
Southeastern Power Administration (SEPA)

FIGURE NO. 4-4 CONTINUED

FOREIGN ELECTRIC MEMBERSHIP CORPORATIONS [1]
At December 31, 1988

Electric Membership Corporations	Headquarters	Source of Power
Blue Ridge Mountain	Young Harris, Ga.	TVA [2]
Broad River Electric Cooperative, Inc.	Gaffney, S.C.	Saluda Electric Corporations [3]
Mecklenburg Electric Cooperative, Inc.	Chase City, Va.	SEPA, Old Dominion
Tri-State	McCaysville, Ga.	TVA
Mountain Electric Cooperative, Inc.	Mountain City, Tenn.	TVA

[1] Electric Membership Corporations that have operations in North Carolina but have headquarters in other states.

[2] Tennessee Valley Authority

[3] Until the fall of 1983 power was supplied by Duke Power Company and Southeastern Power Agency.

A. GENERAL COMMENTS

There were four major electric utilities operating in North Carolina under the regulation of the North Carolina Utilities Commission at December 31, 1987: Carolina Power & Light Company (CP&L), Duke Power Company (Duke), North Carolina Power Company (NC Power), and Nantahala Power and Light Company (Nantahala).

Carolina Power & Light (CP&L) operates coal-fired units at eight plants, four nuclear units, thirty-three combustion turbine generators and four hydroelectric plants. CP&L provides electricity to approximately 765,000 North Carolina customers. The Company provides electricity to approximately 900,000 total customers within a 30,000 square-mile area whose population is approximately three million. CP&L's service area includes the Coastal Plains Section of North Carolina, a section in western North Carolina, and about one-fourth of eastern South Carolina. The North Carolina Utilities Commission regulates about 65% of CP&L's energy sales. The North and South Carolina Commissions govern retail electric rates and the Federal Energy Regulatory Commission governs wholesale electric rates.

Duke Power Company is an investor-owned electric utility engaged in the generation, transmission, distribution, and sale of electric energy in the central portion of North Carolina and the western portion of South Carolina. In 1987 the Company's service area covered approximately 20,000 square miles with an estimated population of about 4,500,000. Duke Power Company provides electricity to approximately 1.13 million North Carolina customers. The Company provides electricity to approximately 1.77 million total customers. Duke Power Company ranks seventh in the United States among investor-owned utilities in kilowatt-hour sales. The Company's three nuclear generating stations, eight coal-fired stations, 25 hydroelectric facilities, and one pump storage facility produced 69.9 billion kilowatt-hours of electricity in 1987. The North Carolina Utilities Commission regulates about 57.5% of Duke's energy sales. The headquarters for Duke Power Company is in Charlotte, North Carolina.

Virginia Power and Electric Company (Vepco) is the principal subsidiary of Dominion Resources, Inc., a holding company formed in 1983. Vepco's service territory includes the urban corridor stretching from the suburbs of Washington, D.C., through Richmond to the Hampton Roads area of Virginia. Vepco provides service to northeastern North Carolina, where it does business as North Carolina Power. The Company provides electricity to approximately 85,000 North Carolina customers. The Company provides electricity to approximately 1,644,000 total customers. Vepco sold its West Virginia service area on March 1, 1987. The North Carolina Utilities Commission regulates about 4% of Vepco's energy sales. Vepco generates electricity with two nuclear, six coal-fired, three oil-fired, and three small hydroelectric plants; and with one pumped storage hydroelectric plant owned jointly with another utility. Vepco delivers electric power through 4,900 miles of high-voltage transmission lines and 51,800 miles of distribution lines.

Nantahala Power and Light Company serves the far western portion of North Carolina and is the only major electric company operating solely within North Carolina. Although it qualifies as a major utility, its service area and number of customers are small compared to the other three major companies. Nantahala was acquired by Duke Power Company on November 17, 1988.

The four major electric companies provide service directly to retail consumers, and they are suppliers of electric energy on a wholesale basis to the 28 electric membership corporations (EMCs) operating in North Carolina. There are five EMCs with operations in North Carolina whose headquarters are

in other states. The major companies also supply electric energy to the 71 municipalities operating electric distribution systems throughout the state. The North Carolina Utilities Commission does not regulate the retail rates and service of the EMCs or the municipalities operating in North Carolina.

There were two nonmajor electric utilities also operating in North Carolina as of December 31, 1987; New River Light and Power Company, a subsidiary of Appalachian State University (ASU) located in Boone, N.C., which served 5,725 customers in 1987, with ASU being its largest single customer, and Western Carolina University located in Jackson County, N.C. which is not required to file an annual report with the North Carolina Utilities Commission.

B. CUSTOMER GROWTH--COMMENTS

In 1987 the four major electric utilities experienced a customer growth rate of 3.1% for their North Carolina operations. The net customer increase was 61,536 bringing the total average number of customers to 2,025,286 at December 31, 1987. New River Power and Light Company experienced a 1.8% increase in their number of customers. Total customers increased from 5,622 to 5,725 during 1987. An average of 2,031,011 North Carolina customers were served by all the regulated electric utilities during 1987. See Figure No. 4-5.

C. ANNUAL CUSTOMER USAGE

The annual customer usage of kilowatt-hours per residential customer in 1987 was 12,472 kWhs. This is a 2.9% increase from 1986. This figure for 1987 is 41% higher than the national average of 8,795 per residential customer. According to Figure No. 4-6, North Carolina's per customer residential consumption exceeds the national average for various years shown between 1970-1987.

The average monthly use of electricity by North Carolina residential customers of major electric companies is 1,039 kilowatt-hours. Residential customers constitute about 86.0% of the total electric customers in the State. There is a direct correlation between the greater residential usage in North Carolina and the average charge per kilowatt-hour. Generally the lower the cost per kWh the greater the usage.

D. RATE INCREASES APPROVED

The average charge per kilowatt-hour for North Carolina residential service increased 2.2% from the preceding year. Figure No. 4-7 shows the average price of one kWh for the years 1970, 1975, 1980, 1982, 1983, 1984, 1985, 1986, and 1987. The 1987 figure of 7.31 cents reflects the general rate increases approved by the Commission. The general rate increase approved by the Commission for 1987 is shown in Fugure No. 4-8.

E. COMPARISONS OF AVERAGE RESIDENTIAL MONTHLY BILLS

In Figure No. 4-9 a typical residential electric bill as of January 1, 1987, from North Carolina is compared to nine selected states from across the country. These states include Alabama, California, Florida, Indiana, Maine, Michigan, Ohio, South Carolina, and Virginia. For 1987, North Carolina is the seventh lowest at 500 kWh levels, the sixth lowest at 750 kWh levels, and seventh lowest at 1000 kWh levels.

In a comparison with the United States average, North Carolina monthly bills are lower for 500 kWh and somewhat higher on 750 kWh and 1000 kWh. The North Carolina electric utilities have companywide rates for the respective residential, commercial, and industrial classes of customers. When company usage and load characteristics are the same, the residential customer's bill will not vary between the small and large communities.

F. CONSERVATION

In North Carolina the electric companies recommend many ways for customers to save on their electric bills. Some of these include adequate insulation and efficient use of big energy user appliances such as water heaters, ranges, refrigerators, and freezers. Also with time-of-use rates, customers can save substantially by using electricity during off-peak periods. Keeping the thermostat at 68 degrees or lower in the winter can save customers up to 20% on heating bills. Furthermore there are appliances available in energy efficient models that may cost more initially but save each year in operating costs. Saving energy has become increasingly important. It not only translates directly into lower bills but also helps to conserve diminishing natural resources.

See Chapter Two, Section B. for additional information on conservation and least-cost planning, a topic related to conservation.

G. GENERATING CAPABILITY--NUCLEAR POWER IMPACT AND COGENERATION

General: The total company-owned capability as of December 31, 1987, for the largest electric companies is shown in Figure No. 4-10. Figure No. 4-10 gives in detail the peak loads in winter 1986/1987 and summer 1987, total capability at the time of the peaks, and the reserve percentage of electricity available to each company at peak demand.

Nuclear Power: Nuclear energy provided 34% of Vepco's energy supply last year. The capacity factor declined in 1987 but remained above the average for the U.S. electric utility industry. Capacity factor is the percentage of power a unit actually generates compared to what it could produce if it were operated continuously at maximum dependable capacity. Since nuclear units must be taken out of service for refueling and routine maintenance, their maximum achievable capacity factor over an extended period is inherently below 100 percent.

Vepco's North Anna nuclear station had the second lowest operating and maintenance cost of 66 U.S. nuclear plants between the 1984-1986 time period. Also the Surry nuclear station was ranked in the top 25 percent. Costs for North Anna were more than 50 percent below the average for all plants surveyed. The Surry nuclear station costs were 40 percent below the average.

CP&L's Harris nuclear plant began commercial operations on May 2, 1987, operating at a capacity factor of 67 percent. It produced 3.9 billion kilowatt-hours of electricity during 1987.

The Brunswick plant passed a world operating record for dual-united General Electric boiling water reactors in November 1987 and set a new record of 180 days of continuous operation on January 1, 1988. CP&L's four nuclear units operated at a combined capacity factor of more than 70 percent for the year, exceeding the industry average.

Nuclear power continues to be an important source of energy for Duke Power Company. Duke now operates seven nuclear units which produced 64 percent of the total power generated in 1987. The nuclear plants operated at 71 percent capacity, well above a national average of 58 percent and above the system's 61 percent in 1986. The Nuclear Regulatory Commission (NRC) ranks the McGuire, Catawba, and Oconcee nuclear stations first, second, and fourth in the nation for 1986 in terms of the efficiency of multi-unit nuclear plants. McGuire Unit 2 was the country's most efficient single reactor in 1986.

Cogeneration: In 1978 the Federal Public Utility Regulatory Policies Act (PURPA) challenged the Federal Energy Regulatory Commission and the State regulatory authorities to encourage the development of cogeneration and small power production. Cogeneration facilities simultaneously produce two forms of useful energy such as electric power and steam. An example of manufacturing

cogeneration would be a furniture manufacturing plant which not only uses process steam in its manufacturing activities but also uses the same steam in order to generate electricity. Cogeneration facilities use significantly less fuel to produce electricity and steam (or other forms of energy) than would be needed to produce the two separately. Thus by using fuels more efficiently, cogeneration facilities can make a significant contribution to the nation's effort to conserve its energy resources.

Many participants in the cogeneration program will come from the textile, paper, and chemical industries. Through efficient generation of their own electricity, greater profitability and aid in the reduction of overall production costs will be stimulated.

The three largest power companies in North Carolina are working with customers (small power producers) who may be able to generate some of their own needs for electrical power, thus lowering peak loads. Small power production facilities which are biomass, waste, renewable resources including wind, solar, and water, produce electric power. The regulated electric utilities are required to purchase the electricity generated by these qualifying small power production facilities. These energy sources have the potential of resulting in significantly cheaper electricity. For example the sun's rays or flowing water have no costs, as contrasted with the generally increasing cost of fossil fuels or nuclear fuel typically used by regulated utilities in their generating plants.

The Commission Order (E-100, Subs 41 and 41A), dated June 3, 1980, enumerated as part of its responsibilities the determination of the rates, charges, and condition for the sale of electricity and qualifying cogenerators or small power producers in North Carolina. In addition the Commission will determine the relative responsibilities of utilities and qualifying facilities with respect to system protection, service reliability, and other matters affecting such service.

H. SOURCE AND DISPOSITION OF THE ELECTRIC OPERATING REVENUE DOLLAR

Both the source and disposition of the 1987 electric operating revenue dollar are shown by the pie charts on Figure No. 4-11. In the past, fuel costs have been the largest component of the operation and maintenance expenses, and they have consumed the largest portion of the operating revenue dollar. However, this trend does not hold true for 1987. Fuel costs required only 19.1 cents while the remaining operation and maintenance costs required 38.6 cents. Shown in Figure No. 4-12 is comparative data reflecting the components percentage-wise for both the source and disposition of the electric operating revenue dollar for 1987. Fuel costs as a percent of total operational and maintenance expenses (excluding depreciation and taxes) have been declining since 1974, primarily because of the decreases in coal costs and the increasing use of nuclear fuel. The chart in Figure No. 4-13 shows this relationship for the period 1982-1987.

I. ENERGY SALES

Energy sales for the past decade have been rising. The major companies' total energy sales in North Carolina increased in 1987 over 1986 by 6.7% with 78 billion kilowatt-hours sold. Figure No. 4-14 shows energy sales by class of customer for the years 1975, 1980, 1984, 1985, 1986, and 1987

J. STATISTICAL SUMMARY DATA

As shown in Figure No. 4-15, the total operating revenues for North Carolina operations for the major electric utilities increased 5.9% for 1987 compared to 1986.

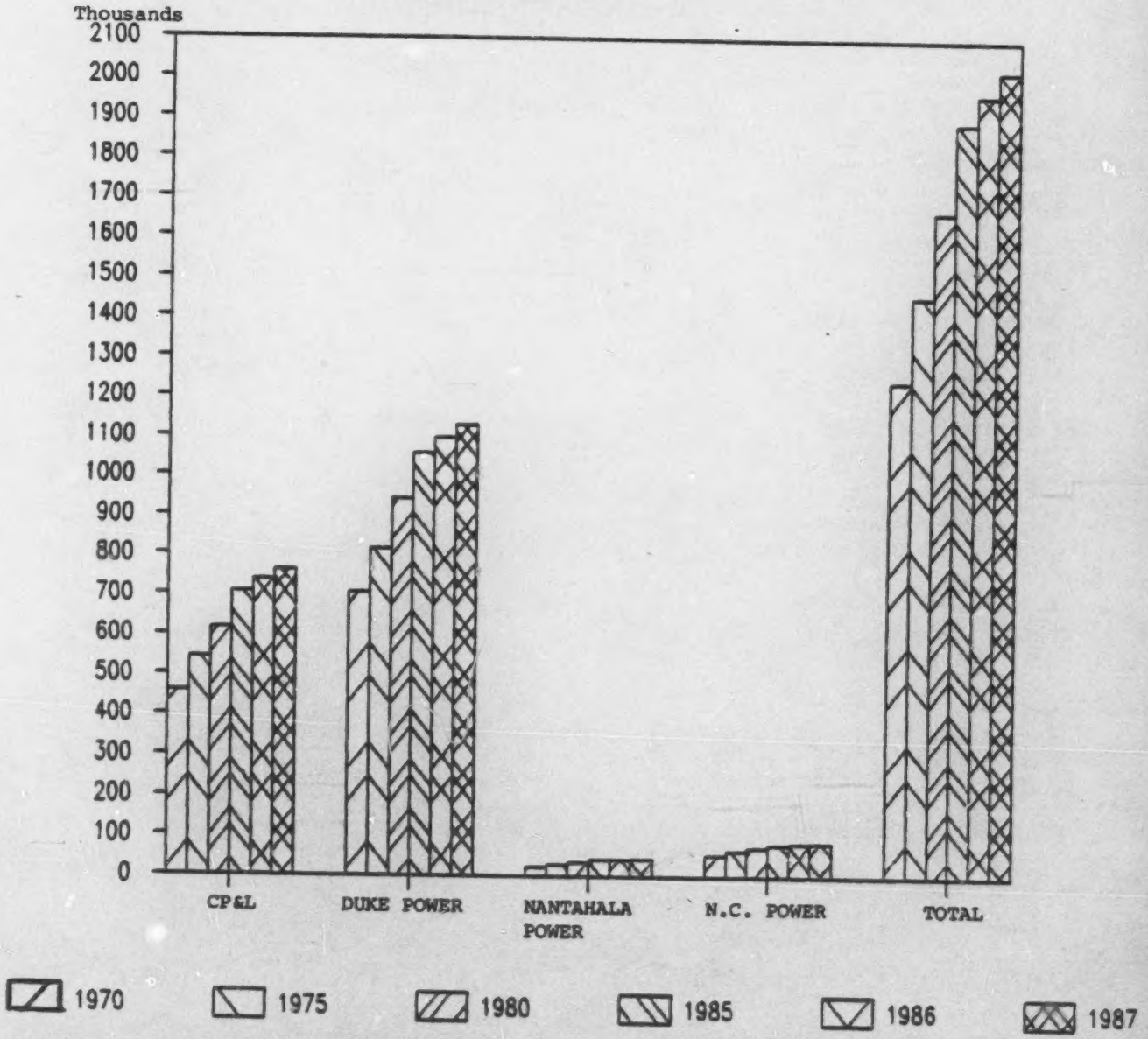
North Carolina operating expenses, including taxes for the major companies, increased 3.5% in 1987 over 1986, and the net income for 1987 increased 3.7% from the previous year.

Total company net income available for common shareholders of the major companies was $1,164,564,000 for 1987 vs. $1,102,682,000 for 1986. The number of common shares outstanding at year-end increased from 318,292 million in 1986 to 360,617 million in 1987. The earnings per share (year-end outstanding) at December 31, 1987, were $3.23 down 6.6% from 1986.

Total salaries and wages paid North Carolina employees by major companies for 1987 was $753,196,000, an increase of 6.74% over 1986. In 1987 the number of employees residing in North Carolina was 22,575 compared with 23,075 in 1986, a 2.2% decrease.

FIGURE NO. 4-5

MAJOR ELECTRIC COMPANIES--CUSTOMER GROWTH
(North Carolina Data Only)



SOURCE: 1987 FERC FORM NO. 1 - ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSES, AND OTHERS

FIGURE NO. 4-6

Average Annual Residential Customers
kWh Usage
1975, 1980, 1984, 1985, 1986, 1987
(Privately Owned Major Utilities Only)

UTILITIES	1975	1980	1984	1985	1986	1987
N.C. Statewide Average	11,002	12,272	11,834	11,364	12,051	12,472
N.C. (Charlotte & Raleigh)(a)	11,771	13,201	12,213	11,992	12,912	13,524
S.C. (Columbia & Charleston)(b)	9,683	10,793	12,224	12,074	13,708	13,178
U. S. Average	7,829	8,481	8,557	8,540	8,608	8,795
N.C. (Charlotte & Raleigh) Higher than S.C. (Columbia & Charleston)	21.6%	22.3%	-0.09%	-0.7%	-5.8%	2.6%
Higher than U.S. Average	50.4%	55.7%	42.7%	40.4%	50.0%	53.8%

(a) Charlotte--Served by Duke Power Co.
Raleigh--Served by CP&L
Average of the two used

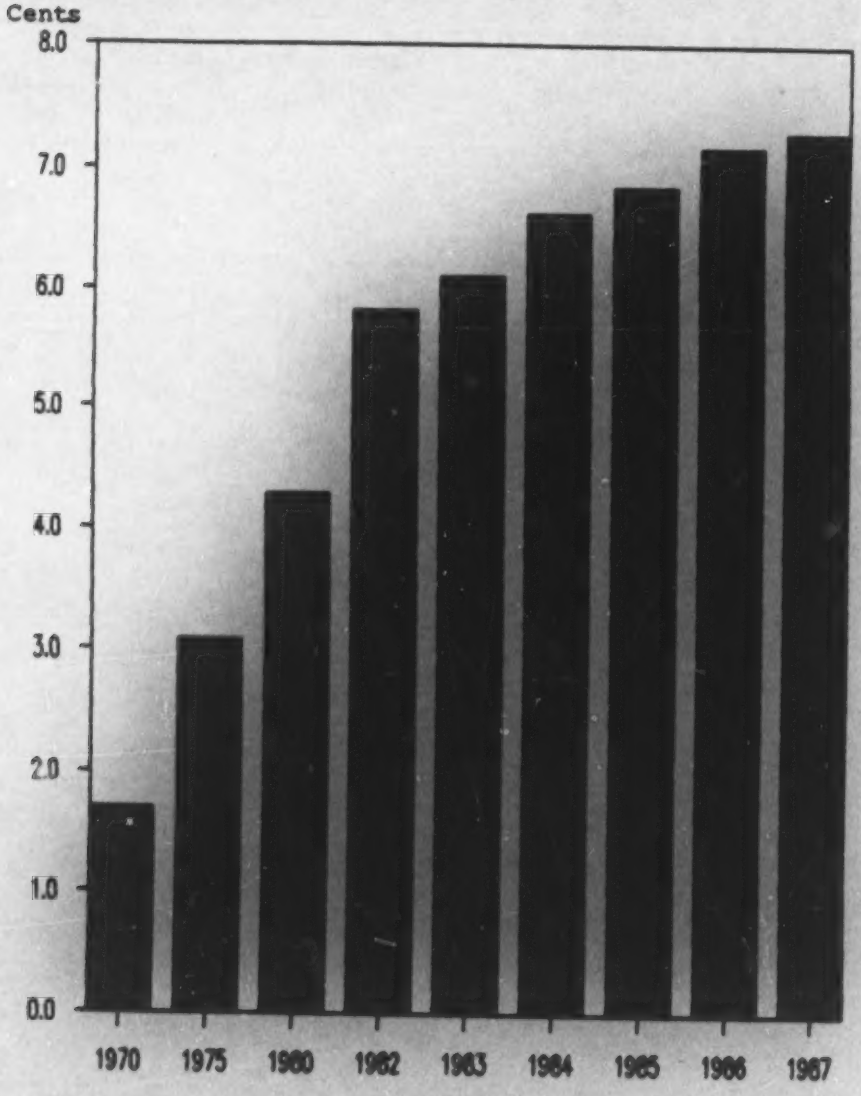
(b) Columbia & Charleston
Served by S.C. Electric & Gas Co.
Average of the two used

SOURCES:
N.C. Statewide Average--FERC Form No. 1: Annual Report of Major Electric Utilities
N.C. (Charlotte & Raleigh)--FERC Form No. 1: Annual Report of Major Electric Utilities
S.C. (Columbia & Charleston)--S.C. Electric & Gas Co.
U.S. Average--Financial Statistics of Selected Electric Utilities (1987 Report)

FIGURE NO. 4-7

RESIDENTIAL ELECTRIC SERVICE--MAJOR ELECTRIC COMPANIES

Average Annual Usage Per Customer and Average Price of 1 kWh



North Carolina Data Only

Average kWh Usage Per Customer

1970	1975	1980	1982	1983	1984	1985	1986	1987
9,695	11,002	12,272	11,652	11,873	11,834	11,364	12,051	12,472
1.7	3.09	4.29	5.82	6.11	6.64	6.86	7.15	7.31

Average Price of One kWh in Cents by Company

	1975	1980	1982	1983	1984	1985	1986	1987
CP&L	3.18	4.36	6.28	6.48	7.04	7.21	7.25	7.17
Duke	3.01	4.13	5.49	5.83	6.31	6.57	7.11	7.38
Nantahala	2.29	3.68	4.98	4.47	5.52	6.14	6.49	6.73
Vepco	3.80	6.33	6.74	7.61	8.35	8.01	7.87	7.74

FIGURE NO. 4-8

General Rate Increases Approved for Electric Companies
For the Year 1987

Company	Date Filed	Docket Number	Amount Requested (000s)	Amount Approved (000s)	% Approved of Amount Requested	Date of Final Order
Carolina Power & Light	1-06-87	E-2, Sub 526	$173,351	$92,467	53.3%	8-05-87
Total			$173,351	$92,467	53.3%	

FIGURE NO. 4-9

COMPARATIVE TYPICAL RESIDENTIAL ELECTRIC BILLS
NINE SELECTED STATES, NORTH CAROLINA, AND U.S. AVERAGE
STATE AVERAGE MONTHLY BILLS--RESIDENTIAL SERVICE
(Cities of 2,500 Population and Over) Data as of January 1 of each year

	500 kWh Assumed Consumption						750 kWh Assumed Consumption						1000 kWh Assumed Consumption					
STATE:	1970	1975	1980	1985	1986	1987	1970	1975	1980	1985	1986	1987	1970	1975	1980	1985	1986	1987
NORTH CAROLINA	$9.40	$16.21	$24.05	$37.02	$39.49	$40.86	$12.75	$22.53	$32.63	$52.64	$56.15	$58.17	$16.24	$29.20	$41.83	$67.99	$72.53	$75.25
ALABAMA	9.33	16.62	23.63	35.90	36.23	36.39	12.12	22.05	33.99	50.94	51.26	51.70	14.91	27.45	44.34	63.65	64.04	64.85
CALIFORNIA	10.05	17.25	22.79	40.09	40.77	40.92	13.20	23.64	34.24	59.09	60.90	61.56	16.35	29.91	47.65	84.64	86.22	85.85
FLORIDA	11.26	18.53	25.53	42.55	45.02	39.69	15.24	25.80	36.60	60.97	64.45	56.61	19.10	33.17	48.37	80.77	85.45	74.80
INDIANA	10.32	13.37	26.60	39.79	41.13	43.52	13.90	18.31	35.22	54.12	56.12	58.84	18.91	23.59	44.83	68.68	71.35	74.21
MAINE	11.05	18.05	26.05	38.74	40.06	38.87	15.90	25.00	35.90	58.10	61.29	61.02	21.34	33.32	45.91	77.47	81.70	83.19
MICHIGAN	7.77	14.57	25.65	35.24	40.85	39.76	12.32	21.74	33.74	48.83	53.58	51.93	17.31	29.63	45.85	70.84	74.76	72.56
OHIO	10.44	17.23	28.26	41.68	41.80	43.63	14.87	24.15	39.84	59.85	59.92	61.80	18.14	31.15	51.11	75.13	75.11	79.15
SOUTH CAROLINA	10.01	18.53	25.40	37.65	39.93	40.20	13.33	25.10	34.77	52.09	55.24	55.45	16.69	31.87	44.38	66.66	70.72	71.01
VIRGINIA	10.90	20.91	33.10	37.44	38.77	38.85	13.57	28.10	46.31	53.34	55.82	54.80	17.03	35.11	58.92	66.58	68.31	67.27
UNITED STATES	10.51	17.93	27.50	41.86	42.54	40.80	14.22	24.72	36.93	57.86	58.79	56.70	18.31	32.29	48.76	76.37	77.50	74.57
NORTH CAROLINA RANK (Low to High-10 states listed)	3rd lowest	3rd lowest	3rd lowest	3rd lowest	3rd lowest	7th lowest	3rd lowest	4th lowest	1st lowest	4th lowest	6th lowest	6th lowest	2nd lowest	3rd lowest	1st lowest	4th lowest	5th lowest	7th lowest
NORTH CAROLINA RANK (Low to High-50 states & DC)	15th lowest	29th lowest	21st lowest	26th lowest	24th lowest	30th lowest	12th lowest	30th lowest	10th lowest	27th lowest	32nd lowest	33rd lowest	12th lowest	30th lowest	17th lowest	29th lowest	31st lowest	35th lowest
N.C. Average lower than U.S. Average (Percent)	10.56%	9.59%	12.55%	11.56%	7.17%	0.05%	10.34%	8.86%	11.64%	9.02%	4.49%	-2.45%	11.31%	9.57%	14.21%	10.97%	6.41%	-0.91%

Source: "Typical Electric Bills" for applicable years--U.S. Department of Energy

FIGURE NO. 4-10
MAJOR ELECTRIC COMPANIES
GENERATION & CAPABILITY DATA
Net Megawatts--Year End

Company owned Capability 1987 (1)

Company	Coal	Nuclear	Pump Storage & Hydro	Other Fuel And Resources	Total Generating Capability	Firm Purchases	Total	Less Power Agency Portion	Total
CP&L	5,273	3,105	218	1,018	9,614	552	10,166	633	9,533
Duke Power	6,428	7,170	1,452	599	15,649	241	15,890	N/A	N/A
Nantahala Power	0	0	99	0	99	0	99	0	99
N.C. Power	4,304	3,392	1,589	2,186	11,471	1150	12,621	6	12,615
Total	16,005	13,667	3,358	3,803	36,833	1,943	38,776	639	38,137

Total capability--Net MW (at time of peak) (2)

Company	1987 Summer	1986/1987 Winter	1986 Summer	1985/1986 Winter	1985 Summer	1984/1985 Winter	1984 Summer	1983/1984 Winter
CP&L	9,614	9,133	8,754	9,133	8,754	9,133	8,750	9,123
Duke Power	15,090	15,984	15,988	14,790	14,927	13,782	13,782	13,777
Nantahala Power	195	195	195	195	194	194	163	163
N.C. Power	11,457	11,497	11,225	11,435	11,137	10,774	9,935	10,138
Total	37,156	36,809	36,162	35,553	35,012	33,883	32,630	33,201

Peak Load (MW) (3)

Company	1987 Summer	1986/1987 Winter	1986 Summer	1985/1986 Winter	1985 Summer	1984/1985 Winter	1984 Summer	1983/1984 Winter
CP&L	7,985	7,163	7,485	7,763	6,876	7,799	6,869	6,599
Duke Power	12,691	11,451	12,471	12,586	11,204	12,687	11,043	10,863
Nantahala Power	122	176	157	191	109	191	104	163
N.C. Power	11,529	10,640	10,358	10,386	9,819	10,316	8,895	8,592

Reserve % of Load (4)

Company	1987 Summer	1987 Winter	1986 Summer	1986 Winter	1985 Summer	1985 Winter	1984 Summer	1984 Winter
CP&L	20.4	27.5	17.0	17.6	21.9	7.5	22.1	27.0
Duke Power	25.2	39.6	28.2	17.5	33.2	17.7	24.8	26.9
Nantahala Power	----	----	----	----	----	----	----	----
N.C. Power	(0.6)	8.1	8.4	10.1	12.7	7.2	26.4	30.8

(1) Source: Southeastern Electric Reliability Council
Data includes portion owned by municipal power agencies.
(2) Source: Reserve Situation Report
(3) Source: FERC Form No. 1: Annual Report of Major Electric Utilities
(4) No reserve calculated for Nantahala. This company meets its demand load by buying from TVA the additional energy required above its Hydro generating capability.

FIGURE NO. 4-11

SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR
ELECTRIC COMPANIES
NORTH CAROLINA MAJOR OPERATIONS ONLY
1987

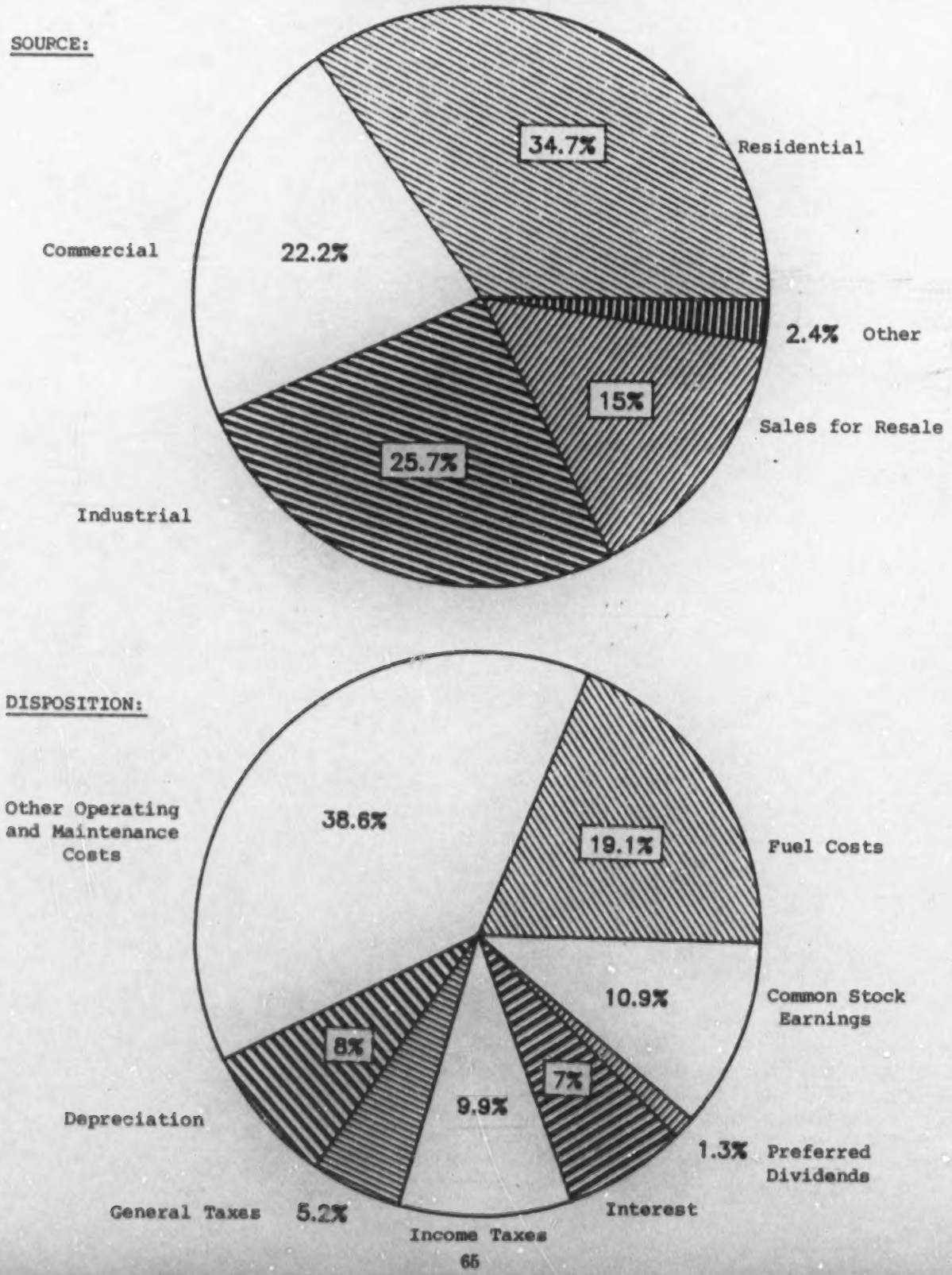


FIGURE NO. 4-12

SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR
1987
MAJOR ELECTRIC COMPANIES
North Carolina Operations Only
(Dollars in 000s)

SOURCE.	REVENUE	% OF TOTAL
Residential	$1,583,213	34.7%
Commercial	1,010,591	22.2%
Industrial	1,170,449	25.7%
Sales for Resale	685,901	15.0%
Other	109,104	2.4%
Total	$4,559,258	100.0%

DISPOSITION:		
Fuel Costs	$870,920	19.1%
Other Operating & Maintenance Costs	1,758,442	38.6%
Depreciation	366,320	8.0%
General Taxes	238,696	5.2%
Income Taxes	452,815	9.9%
Interest	320,113	7.0%
Preferred Dividends	57,571	1.3%
Common Stock Earnings	494,381	10.9%
Total	$4,559,258	100.0%

FIGURE NO. 4-13

FUEL COSTS
(Dollars in 000s)

ITEM	1982	1983	1984	1985	1986	1987
Fuel Costs	$977,907	$971,944	$974,549	$981,583	$966,638	$870,920
Other Operating & Maintenance Expenses	782,624	803,615	834,598	1,114,177	1,505,856	1,758,442
Total Operating & Maintenance Expenses	$1,760,531	$1,775,559	$1,809,147	$2,095,760	$2,472,494	$2,629,362
Fuel Costs as a % of Total Operating & Maintenance Expenses	55.5%	54.7%	53.9%	46.8%	39.1%	33.1%

FIGURE NO. 4-14

ENERGY SALES BY CLASSES
MAJOR ELECTRIC COMPANIES

(North Carolina Data Only--Kilowatt-Hours in Billions)
For the Years 1975, 1980, 1984, 1985, 1986, and 1987

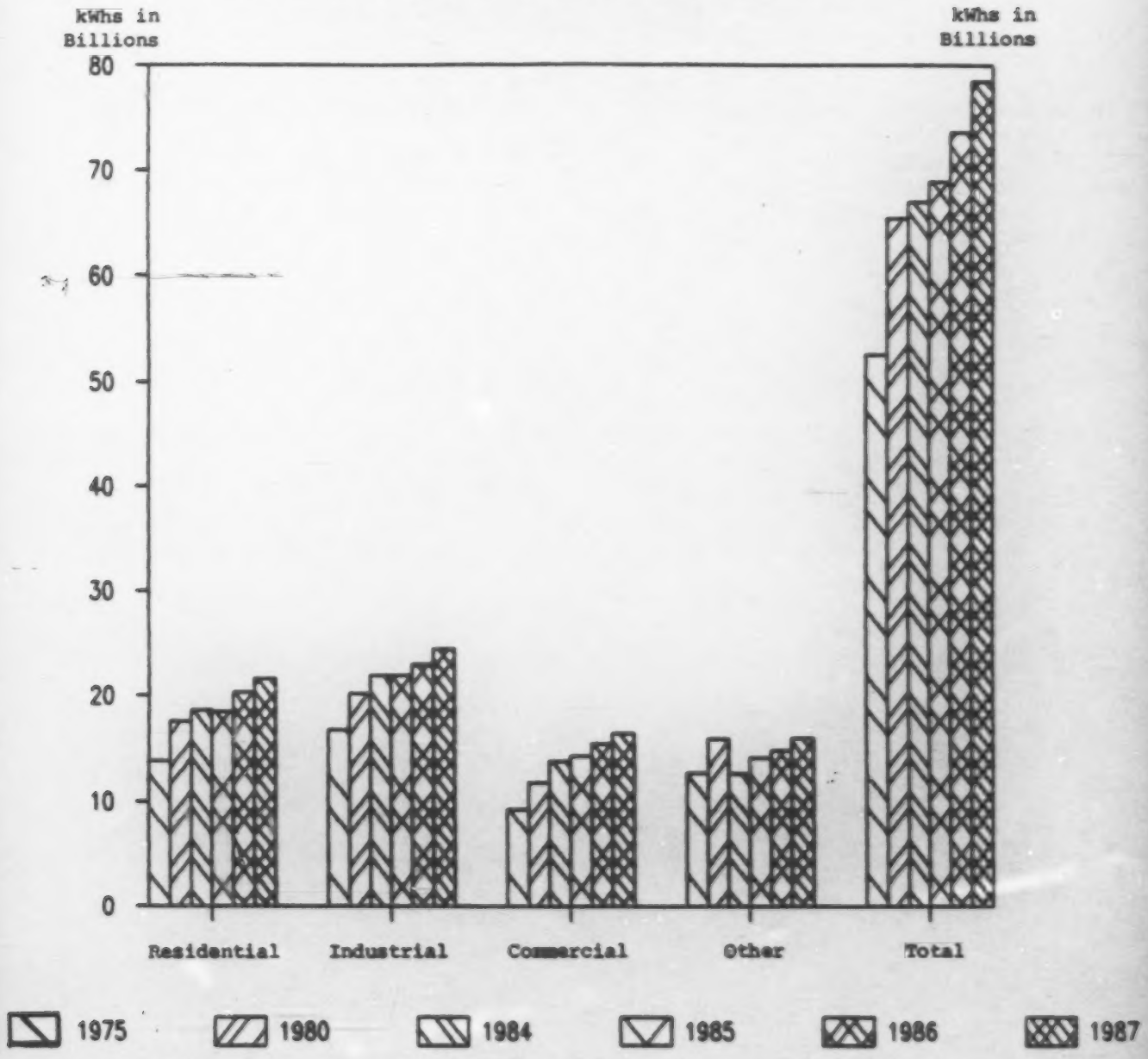


FIGURE NO. 4-15 A
MAJOR ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA
Income Statement, Balance Sheet, and Other Statistical Items
1965, 1970, 1975, 1980, 1985, 1986, 1987
(Dollars in 000s)

Item	1965	1970	1975	1980	1985	1986	1987	% Change 1987-1986
No. of Companies Regulated and Included in this Data	4	4	4	4	4	4	4	
INCOME STATEMENT (NC ONLY):								
Income Items:								
Residential Sales	$112,279	$176,631	$425,940	$754,139	$1,267,504	$1,458,189	$1,583,213	8.6
Commercial Sales	57,601	95,310	255,494	441,909	843,528	950,873	1,010,591	6.3
Industrial Sales	71,737	110,277	343,509	583,685	1,038,109	1,126,941	1,170,449	3.9
Sales for Resale	31,332	63,760	216,148	432,751	574,764	637,075	685,901	7.7
All Other Operating Revenue	12,409	16,379	26,465	53,387	134,434	133,043	109,104	(18.0)
Total Operating Revenue	$285,358	$470,357	$1,267,636	$2,265,870	$3,858,419	$4,306,121	$4,559,258	5.9
Expense Items:								
Power Production Expense	$119,869	$271,149	$680,699	$1,374,582	$1,641,819	$1,959,158	$2,062,740	5.3
Transmission Expense					35,058	39,556	42,351	7.1
Distribution Expense					121,898	137,842	159,649	16.5
Customer Accounts Expense					59,490	67,351	74,690	10.9
Customer Service & Informational Expense		(A)			21,724	25,412	27,962	10.0
Sales Expense					851	1,100	1,370	16.0
Administrative & General Expense					214,920	242,787	260,584	7.3
Depreciation Expense	32,310	54,666	110,286	181,696	386,391	363,921	366,320	0.7
Total Expenses Before Taxes	$152,179	$325,815	$806,985	$1,556,190	$2,482,151	$2,836,415	$2,995,682	5.6
State Taxes:								
Income Tax	$4,997	$2,194	$6,201	$15,179	$51,130	$45,023	$32,890	(26.9)
Gross Receipts Tax	16,589	26,912	75,007	135,811	113,854	119,412	128,361	7.5
Property Tax	8,495	13,460	24,629	35,740	42,695	53,225	57,310	7.7
Other Operating Taxes	38,732	17,442	114,083	169,536	12,457	2,029	1,984	(2.2)
Total State Taxes	$68,813	$60,008	$220,000	$355,466	$220,136	$219,689	$220,545	0.4
Federal Taxes (A):								
Income Tax					$218,332	$259,599	$164,754	(36.5)
Provision for Deferred Income Tax					283,810	286,281	451,824	57.8
Income Tax Deferred in Prior Years					(203,046)	(120,958)	(191,248)	58.1
Investment Tax Credit					120,002	42,343	(5,485)	N/C
Payroll, Unemployment, & Other Federal Taxes					23,341	40,319	51,000	26.5
Gain from Disposal of Utility Plant					(6)	(169)	(39)	(76.9)
Total Federal Taxes					$450,433	$507,415	$470,966	(7.2)
Total State & Federal Taxes					$670,569	$727,104	$691,511	(4.9)

(A) For the years prior to 1980 there was no allocation of these items to the North Carolina operations.
N/C = Not Comparable

FIGURE NO. 4-15 B
MAJOR ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA
Income Statement, Balance Sheet, and Other Statistical Items
1965, 1970, 1975, 1980, 1985, 1986, 1987
(Dollars in 000s)

Item	1965	1970	1975	1980	1985	1986	1987	% Change 1987-1986
Total Operating Expenses	$220,991	$385,823	$1,026,985	$1,911,664	$3,152,720	$3,563,519	$3,687,193	3.5
Net Operating Income	$64,367	$84,534	$240,651	$354,206	$705,699	$742,602	$872,065	17.4
Other Income & Expenses (A):								
Other Income					$141,261	$180,996	$94,615	(13.2)
Allowance for Funds Used During Construction					125,680	140,014	67,892	(54.1)
Deductions From Income					(7,603)	28,165	20,525	(27.1)
Taxes on Other Income					(9,685)	(1,872)	(20,961)	N/C
Net Other Income & Expense					$249,653	$229,917	$162,943	(29.1)
Fixed Charges (A):								
Interest on Funded Debt					$300,219	$373,983	$365,816	(2.2)
Other Fixed Charges					15,006	16,852	25,415	50.8
AFUDC					(67,632)	(76,369)	(38,456)	(49.6)
Total Fixed Charges					$335,593	$314,466	$352,775	12.2
Extraordinary Income (A)					0	0	0	0.0
Net Income					$619,759	$658,053	$682,233	3.7
BALANCE SHEET (A):								
Assets:								
Utility Plant					$11,882,039	$12,927,876	$13,766,242	6.5
Depreciation Reserve					2,768,960	3,007,388	3,381,266	12.4
Net Plant					$9,113,079	$9,920,488	$10,384,976	4.7
Nonutility Property					17,680	19,193	16,394	(9.9)
Other Investments					366,835	363,425	368,124	1.3
Cash					15,020	4,850	17,871	N/C
Temporary Cash Investments					141,710	37,865	13,429	(64.5)
Customer Accounts Receivable					222,653	256,675	267,334	4.2
Plant Material & Operating Supplies					111,134	133,863	143,326	7.1
Prepayments					22,282	24,282	23,225	(4.0)
Other Current & Accrued Assets					270,484	186,315	200,450	7.6
Unamortized Debt Expense					8,451	8,451	9,513	12.6
Miscellaneous Deferred Debits					67,739	139,067	389,298	N/C
Accumulated Deferred Income Taxes					146,584	116,536	161,557	38.6
Other Deferred Debits					698,764	651,234	598,939	(8.0)
Total Assets					$11,282,263	$11,861,172	$12,514,436	5.5

(A) For the years prior to 1980 there was no allocation of these items to the North Carolina operations.
N/C = Not Comparable

FIGURE NO. 4-15 C
MAJOR ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA
Income Statement, Balance Sheet, and Other Statistical Items
1965, 1970, 1975, 1980, 1985, 1986, 1987
(Dollars in 000s)

Item	1965	1970	1975	1980	1985	1986	1987	% Change 1987-1986
Liabilities & Stockholder's Equity:								
Liabilities:								
Accounts Payable					$233,977	$200,100	$234,929	12.9
Notes Payable					4,267	181,282	219,468	21.1
Total Long-Term Debt					4,245,665	4,299,005	4,309,950	0.2
Taxes Accrued					92,243	143,474	78,162	(45.5)
Miscellaneous Current & Accrued Liabilities					55,862	41,541	57,623	38.7
Other Current & Accrued Liabilities					219,442	203,982	210,547	3.2
Accumulated Deferred Investment Tax Credit					565,815	605,884	603,119	(0.5)
Accumulated Deferred Income Tax					1,445,672	1,577,239	1,870,809	18.6
Other Deferred Credits (A)					(576,297)	(541,976)	(378,345)	(30.2)
Operating Reserves					0	0	0	0.0
Total Liabilities					$6,286,646	$6,719,331	$7,206,262	7.2
Stockholder's Equity (A):								
Preferred Stock					$979,850	$902,006	$862,400	(4.4)
Common Stock					2,633,479	2,748,996	2,760,780	0.4
Other Paid in Capital					3,086	792	900	13.6
Less Discount on Capital Stock					(605)	0	(424)	N/C
Retained Earnings					1,237,825	1,403,083	1,590,723	13.4
Other					61,974	87,044	93,795	7.8
Total Stockholder's Equity					$4,915,617	$5,141,841	$5,308,174	3.2
Total Liabilities & Stockholder's Equity					$11,202,263	$11,861,172	$12,514,436	5.5
STATISTICAL INFORMATION (N.C. ONLY):								
System Sales to Ultimate Consumer (kWh in 000s)		32,023,596	40,916,099	50,495,469	55,893,000	58,784,866	63,784,332	8.5
System Sales for Resale (kWh in 000s)		9,089,804	11,559,681	14,987,807	12,992,000	14,811,000	14,754,345	(0.4)
Total Sales to Ultimate Customers & For Resale (kWh in 000s)		41,113,400	52,475,780	65,483,276	68,885,000	73,595,000	78,538,677	6.7
Total Customers--Yearly Average	1,065,650	1,243,389	1,454,445	1,667,661	1,893,812	1,963,750	2,025,286	3.1
Average Numbers kWhs Used per Residential Customer	6,697	9,695	11,002	12,272	11,364	12,051	12,472	3.5
Average revenue per kWh--Residential customer (cents per kWh)	1.82	1.70	3.09	4.29	6.86	7.15	7.31	2.2
Number of Employees Residing in N. C.	7,875	9,414	14,022	18,534	21,798	23,075	22,575	(2.2)
Wages & Salaries Paid N. C. Employees	$49,359	$80,612	$177,550	$353,390	$647,158	$705,671	$753,196	6.7
SYSTEMWIDE DATA:								
Operating Revenues	$571,082	$949,248	$2,560,719	$4,825,864	$7,588,371	$8,449,520	$8,915,939	5.5
Operating Expenses	432,950	751,909	2,032,596	3,987,765	6,126,226	6,825,953	7,093,055	3.9

(A) For the years prior to 1980 there was no allocation of these items to the North Carolina operations.
N/C : Not Comparable

FIGURE NO. 4-15 B

MAJOR ELECTRIC COMPANIES--NORTH CAROLINA DATA AND SELECTED SYSTEMWIDE DATA

Income Statement, Balance Sheet, and Other Statistical Items

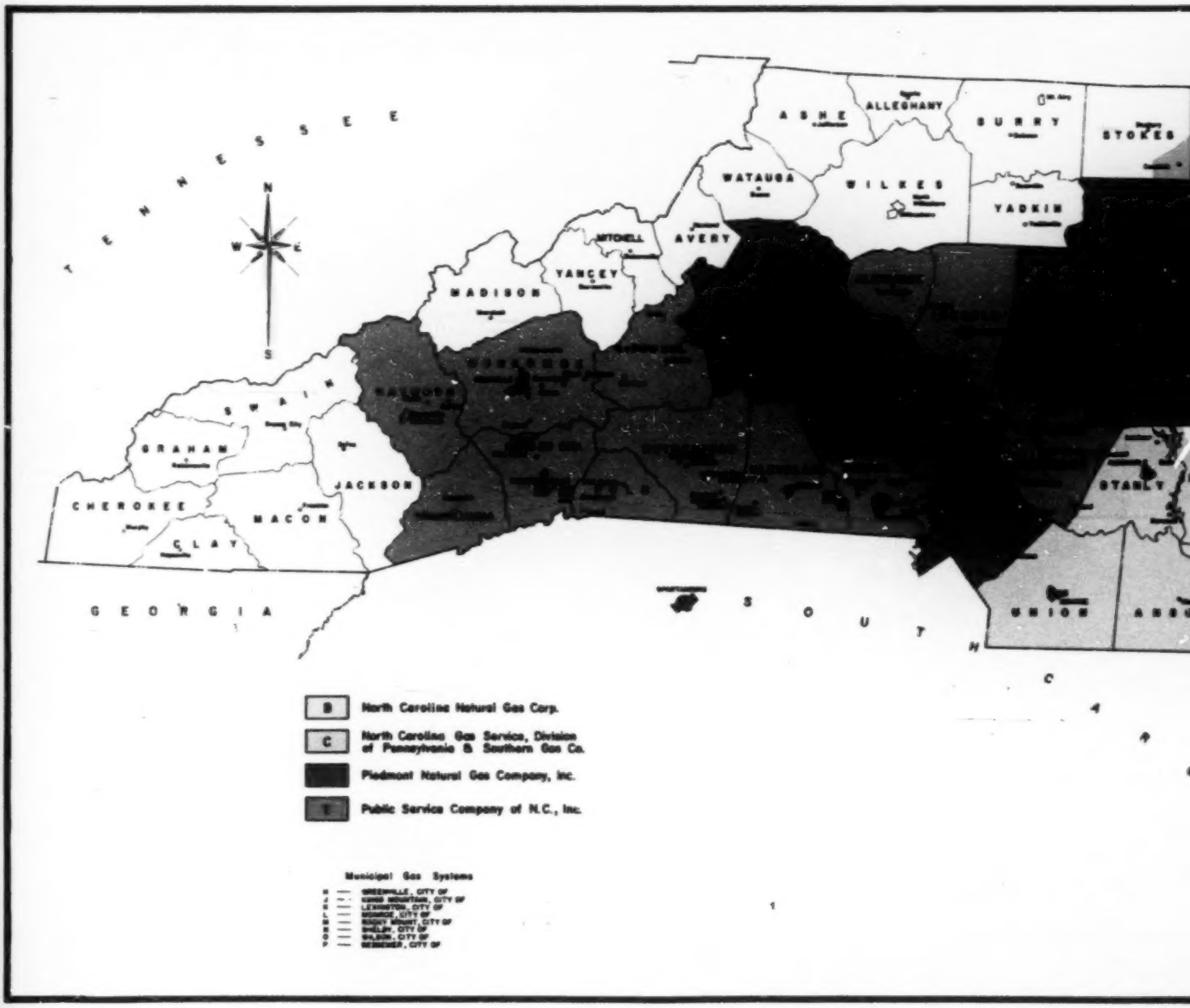
1965, 1970, 1975, 1980, 1985, 1986, 1987

(Dollars in 000s)

Item	1965	1970	1975	1980	1985	1986	1987	% Change 1987-1986
Net Operating Income	$130,124	$197,339	$336,123	$830,099	$1,462,145	$1,623,575	$1,822,884	12.3
Net Other Income (Expense)	37,371	49,148	150,636	123,830	(322,172)	(372,811)	(520,608)	39.9
Net Income	$168,753	$148,191	$385,487	$715,069	$1,139,973	$1,251,564	$1,302,276	4.1
Preferred Dividends		24,286	95,798	150,315	161,494	148,882	137,712	(7.5)
Net Income for Common Shareholders		$123,905	$290,689	$564,754	$978,479	$1,102,682	$1,164,564	5.6
STATISTICAL INFORMATION (SYSTEMWIDE):								
Long-Term Debt	$1,023,461	$2,160,664	$4,819,049	$7,403,022	$8,741,147	$8,944,691	$9,093,216	1.7
Total Capitalization	$2,085,861	$3,941,246	$9,094,143	$14,333,818	$18,265,890	$18,726,491	$19,436,182	3.8
Long-Term Debt % of Total Capitalization	51.1	55.0	52.9	51.6	47.9	47.8	46.8	(2.1)
Shares of Common Stock Outstanding-- Year End (000s)	57,732	76,521	153,720	237,495	308,514	310,299	348,617	13.3
Average Earnings Per Share--Shares at Year End (After Preferred Stock Dividends)	$1.67	$1.67	$1.88	$2.38	$3.15	$3.66	$3.23	(6.6)

(A) For the years prior to 1980 there was no allocation of these items to the North Carolina operations.

V. The Natural Gas Industry


ASHE
ALLEGHANY
SURRY
STOKES
WATAUGA
WILKES
YADKIN
AVERY
MITCHELL
YANCEY
MADISON
GRAHAM
JACKSON
CHEROKEE
MACON
CLAY
GEORGIA
STANLY
UNION
N
S
E
W
B North Carolina Natural Gas Corp.
C North Carolina Gas Service, Division of Pennsylvania & Southern Gas Co.
Piedmont Natural Gas Company, Inc.
T Public Service Company of N.C., Inc.
Municipal Gas Systems

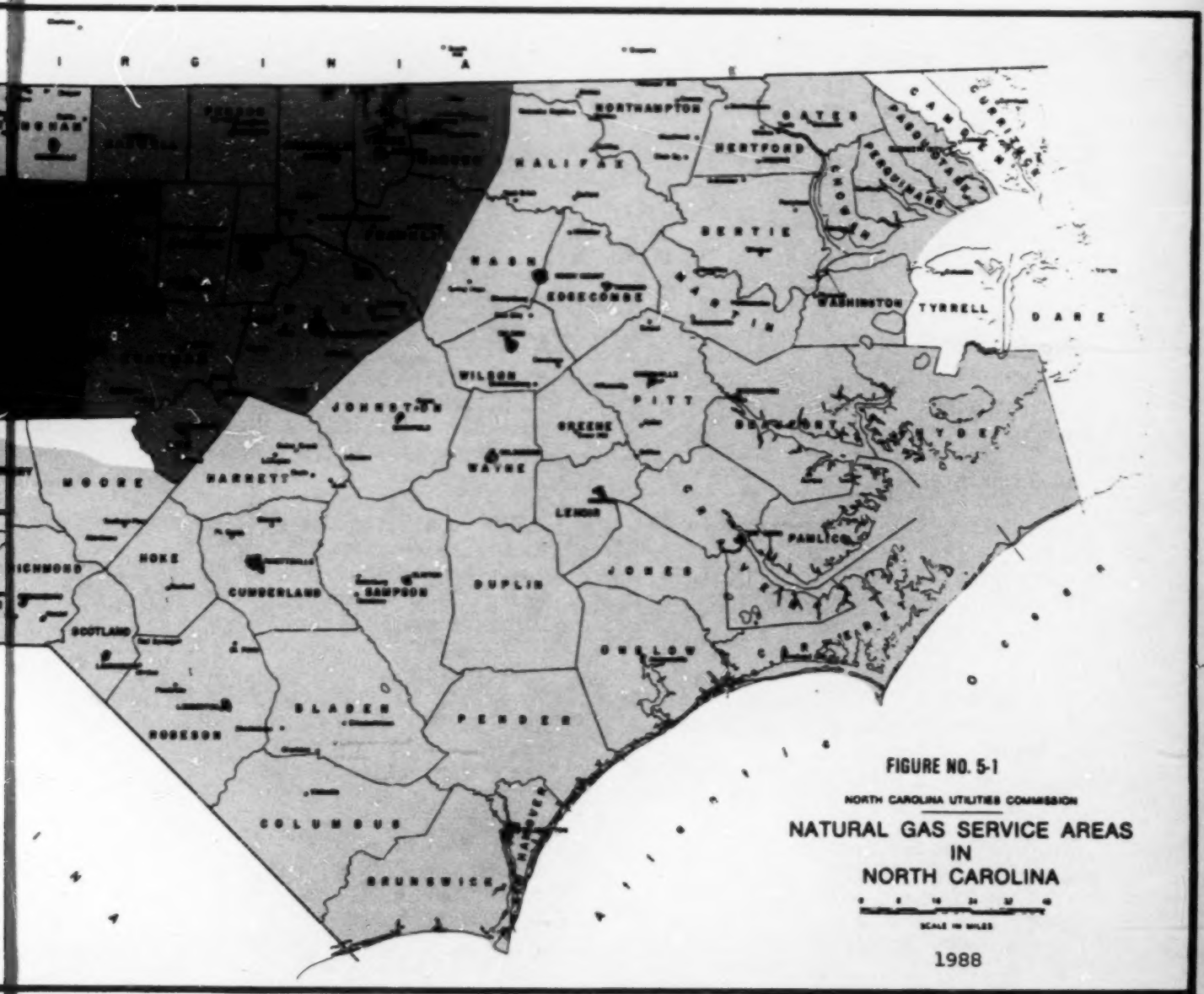


FIGURE NO. 5-1

NORTH CAROLINA UTILITIES COMMISSION

NATURAL GAS SERVICE AREAS
IN
NORTH CAROLINA

SCALE IN MILES

1988

FIGURE NO. 5-2

NORTH CAROLINA GAS COMPANIES
As of December 31, 1987

North Carolina Natural Gas Corp.
150 Rowan Street
Fayetteville, North Carolina 28302
Mr. Calvin B. Wells, President

North Carolina Gas Service, Division
of Pennsylvania & Southern Gas Co.
P. O. Box 779
Reidsville, North Carolina 27320
Mr. E. L. Lohmann, President and
Chief Executive Officer

Piedmont Natural Gas Co., Inc.
P. O. Box 33068
Charlotte, North Carolina 28233
Mr. John Maxheim, Chairman of the
Board, President, and Chief
Executive Officer

Public Service Co. of N.C., Inc.
P. O. Box 1398
Gastonia, North Carolina 28053
Mr. C. E. Zeigler, Sr., Chairman
and President

FIGURE NO. 5-3

N.C. MUNICIPAL GAS SYSTEMS
As of December 31, 1987

Bessemer City, City of
132 West Virginia Avenue
Bessemer City, NC 28016
Mr. Charles W. Boyd
Gas Superintendent

Greenville Utilities Commission
P. O. Box 1847
Greenville, NC 27834
Mr. Jasper Donald Hudson
Deputy Finance Director

Kings Mountain, City of
P.O. Box 429
Kings Mountain, NC 28086
Ms. Judy H. Harmon
Assistant City Clerk

Lexington, City of
28th West Center Street
Lexington, NC 27290
Mr. J. A. Yarbrough
Director of Finance

Monroe, City of
P. O. Box 69
Monroe, NC 28110
Mr. J. E. Hinkle, City Manager

Rocky Mount, City of
P. O. Drawer 1180
Rocky Mount, NC 27801
Mr. William G. Sherk
Director of Utilities

Shelby, City of
P. O. Box 207
Shelby, NC 28150
Mr. Michael L. Haggard
Gas Superintendent

Wilson, City of
P. O. Box 10
Wilson, NC 27893
Mr. H. Gerald Pittman
Accounting Manager

THE NATURAL GAS INDUSTRY

A. A BRIEF HISTORY OF THE NATURAL GAS INDUSTRY

During 1987 four Class A natural gas utility companies were under the regulation of the North Carolina Utilities Commission: North Carolina Natural Gas Corporation; North Carolina Gas Service -- a Division of Pennsylvania and Southern Gas Company, Inc.; Piedmont Natural Gas Company, Inc.; and Public Service Company of North Carolina, Inc. Class A utilities have annual gross operating revenues of $2,500,000 or more. Figure No. 5-1 is a map illustration of the natural gas service areas in North Carolina. Figure No. 5-2 is a list of the companies and their chief officers, and Figure No. 5-3 is a list of the North Carolina Municipal Gas systems.

North Carolina Natural Gas Corporation (NCNG) is a public utility, subject to regulation by the North Carolina Utilities Commission, which provides natural gas service to approximately 97,000 customers in eastern and central North Carolina, including residential, commercial, and industrial customers in 55 towns and cities and four municipal gas distribution systems. NCNG also serves natural gas to the agricultural community in its service area for use in the drying of farm products. NCNG also has a non-utility division which provides propane gas to over 5,000 customers. This division also sells gas appliances and home insulation services. Two wholly owned subsidiaries, NCNG Exploration Corporation and Cape Fear Energy Corporation, are engaged in exploration and production of natural gas and oil.

Public Service Company of North Carolina (Public Service) is a natural gas utility that serves over 190,000 residential, commercial, and industrial customers in 83 communities in 26 North Carolina counties. It spans an area approximating 10,000 square miles in which more than 2.5 million people reside. Public Service was incorporated under the laws of the State of North Carolina in 1938 and is regulated by the North Carolina Utilities Commission as to rates, service area, quality of service, safety, service extensions and abandonments, acquisitions, accounting, and the issuance of securities. Public Service has one wholly owned subsidiary, PSNC Natural Resources Corporation, which is engaged in onshore exploration and production of natural gas and petroleum products.

Piedmont Natural Gas Company (Piedmont) is a diversified energy and services company primarily engaged in the purchase, distribution, and sale of natural gas to over 350,000 residential, commercial, and industrial customers in 65 communities in North Carolina, South Carolina, and Tennessee. Piedmont and its subsidiaries are also engaged in the acquisition, marketing, and transportation of natural gas supplies, in oil and gas exploration and development, and in the sale of propane and associated products, commercial and industrial coal and fuel oil, and residential and commercial gas appliances. Piedmont's utility operations are subject to regulation by the North Carolina Utilities Commission, the Tennessee Public Service Commission, and the Public Service Commission of South Carolina.

Pennsylvania & Southern Gas Company (Penn. & Southern) North Carolina Gas Service is a division of Pennsylvania & Southern Gas Company (Penn. & Southern). Penn. & Southern operates five divisions in four states. The states include New York, North Carolina, Pennsylvania, and Maryland. The North Carolina Gas Service Division is located in Rockingham and Stokes Counties. It provides both natural and propane gases in an area with a population of approximately 83,000. The North Carolina Gas Service Division's customers number about 11,800 including forty-three industries of various sizes. The Division office is located in Reidsville. Natural gas require-

ments are purchased from Transcontinental Gas Pipeline Corporation and Carolina Pipeline, with the exception of a small amount purchased from Rockingham Exploration Company.

B. PLANT INVESTMENT AND EXPANSION

The four major gas companies serve North Carolina cities and towns which have a combined population in excess of 5,400,000. The natural gas companies continued expansion of services by investing an additional $61 million in plant facilities for the 1987 calendar year. In 1986 gas companies invested an additional $54 million. At December 31, 1987, their combined total gross investment for the State was $699,873,000. This represents an increase of 9.6% from the preceding year. Figure No. 5-4 gives the gross plant investment for the natural gas companies for the period 1963-1987.

C. GROWTH TRENDS--CUSTOMERS, REVENUES, VOLUME

In 1987 the annual average number of natural gas utility customers increased 8.2% from the previous year. Figure No. 5-5 shows the customer by classification for the years 1963-1987. Figure No. 5-6 shows the customer growth for the years 1965, 1970, 1975, 1980, 1985, 1986, and 1987 by major customer classification.

Figure No. 5-7 shows the sale pattern of natural gas to the specified customers in million dekatherms by the North Carolina regulated natural gas companies for the years 1975, 1980, 1984, 1985, 1986, and 1987 by major customer classification.

Figure No. 5-8 shows the summary of natural gas sales of mcfs and dekatherms, revenues, and customers by classification for the years 1970, 1975, 1980, 1985, 1986, and 1987.

In 1987 industrial sales totaled 60 million dekatherms. This reflects an 8.9% decrease from the 1986 sales. Total industrial sales of dekatherms accounted for 47.3% of total natural gas sales in North Carolina by the regulated natural gas companies.

Figure No. 5-9 shows total customer growth, total revenues from the sales of gas, and total mcfs and dekatherms of gas sold by the regulated companies and the municipal gas systems for the years 1970, 1975, 1980, 1984, 1985, 1986, and 1987.

The municipals experienced an increase in the number of customers of 3.6% in 1987, while the regulated gas utilities grew by 8.2%. Revenues from the sales of gas in 1987 increased at a rate of 1.0% for the regulated gas companies and decreased at a rate of 9.6% for the municipals. The quantity of gas sold in terms of dekatherms in 1987 increased .4% for the regulated companies and increased 8.4% for the municipals.

D. COMPARISONS OF RESIDENTIAL BILLS, USAGE, AND COST PER MCF OR DEKATHERM

Some average annual usages and cost data for the North Carolina natural gas companies and seven natural gas companies located in various sections of the United States are shown in Figure No. 5-10. The weighted average rate per dekatherm of the North Carolina customers is somewhat higher than the national average. This higher rate per dekatherm is partly due to the fact that the North Carolina distribution companies have only one major transmission pipeline as a supplier.

E. GAS TRACKINGS--PASS ONS--SPECIAL SITUATIONS, AND GENERAL RATE CASES

Wholesale Price Changes: Pursuant to authority granted to the Utilities Commission in G.S. 62-133 by the 1971 General Assembly, the Commission, in Docket No. G-100, Sub 14, established procedures under which gas companies in North Carolina could pass on to their customers wholesale increases in the cost of gas to them by their pipeline suppliers. This tracking authority has reduced the amount and number of

general rate cases filed with the Commission during the years since 1972. It has also reduced the lag time the companies would have experienced in recouping the increased gas costs which have a direct impact on the companies' level of earnings. The gas tracking changes approved by the Commission for the calendar year 1987 are found in Figure No. 5-11.

Special Situations: These gas trackings can be both increases and decreases in the cost of wholesale gas from Transco. The distributing companies maintain a "deferred" account in which the changes in cost of gas from the filed tariff rate are accounted for, and at an appropriate time applications to receive or refund the net effect are made with the Commission.

The tracking proceedings under which these pass ons are allowed involves filing of data by gas utilities essentially in the same format as filing for general rate proceedings. This data is reviewed and analyzed by both the Commission and Public Staff's Engineering and Accounting Divisions.

Gas Supply Volume Trackings: Since 1976 the Commission has granted approval for all the gas utilities to file Curtailment Tracking Adjustments (CTAs) such that the gas utilities' margin (difference in revenues and cost of gas plus gross receipts tax) was fixed in the general rate case. These mechanisms protected the gas utility from fluctuating changes in supply volumes. As the available supply of natural gas increased, the margins increased on sales to customers and permitted the customers' rates to be reduced while the companies' margin remained fixed. As volumes decreased the gas utility simply raised all customers' rates such that the margin remained constant. The mechanisms as described allowed interim adjustments to rates so the gas utility did not have to file constant general rate cases to take care of the volatile fluctuations in its supply of gas and resultant changes in margins. In 1983 the CTAs were replaced by the Industrial Sales Tracker (IST).

Industrial Sales Tracker (IST): The Industrial Sales Tracker implemented for Public Service Company and North Carolina Natural Gas is a modified curtailment tracking mechanism. The mechanism collects revenues from those industrial customers who have heavy fuel oil as an alternate fuel and refund it to the high priority market. This mechanism was proposed by the Public Staff so that gas utilities could negotiate the sale of industrial natural gas and benefit all other non-IST customers. As industrial sales increase, the rates to all non-IST customers are lowered, and by the same token, if individual natural gas sales decrease, the rate to all other non-IST customers will increase. This mechanism was begun in 1983 for the two gas utilities as mentioned earlier and was discontinued for Public Service Company in 1986.

Decreases in the amount of available gas result in an increased IST rate while increases result in a decreased IST rate. Changes in the available gas from the base year volumes due to fluctuations in gas supply and sales volume will inversely affect the IST base year volumes. Then the IST rate will be adjusted accordingly.

Rider D: The Rider D mechanism gives companies an opportunity to offset losses resulting from customers negotiating lower gas prices in lieu of purchasing alternate fuels. Public Service Gas Company proposed and was granted the Rider D mechanism. Under the Rider D, the purchased gas adjustment procedure enables the company to negotiate lower rates with customers and to recover any margin losses resulting thereof by spot market purchases. In summary the Rider D allows losses in margin, resulting from negotiating prices downward, to be offset by savings achieved through the company purchasing lower cost spot gas. In 1987, a "Rider D" mechanism was implemented for Pennsylvania & Southern Gas Company.

Exploration and Development Trackings (E&D): On June 28, 1975, the Commission established natural gas exploration rules (Docket No. G-100, Sub 22), which approved exploration and development programs. These programs would be financed by customer and stockholder in the ratio of 75% to 25%, respectively. Initially every six months the distributors determined a dekatherm rate to be billed to their customers to receive their share of the allowable exploration and development costs. Successful discoveries are sold, and the proceeds used to reduce exploration costs, or the new gas is put into Transco's supply of gas to North Carolina distributors.

In September 1980 the North Carolina Utilities Commission terminated the ratepayers' participation in the E&D programs, except for development costs. Supplies of natural gas had begun to increase, thereby eliminating the necessity of further participation in the programs. The net effect of the termination of the programs is that the expenditures decreased, and the value of recoveries increased thus providing refunds to customers. The program currently is providing refunds to those customers who are being served as of September 1980, thereby assuring that only those customers who participated in the costs would also participate in the increased value of the recoveries. Refunds to customers participating in the E&D programs are determined on the same percentage basis as their share of the costs were tabulated. These refunds will continue as long as net revenues are being received from the sale of gas produced. Capital expenditures from exploration ventures through September 1987 were $88,812,661. The total net equivalent mcf production is 37,426,200. Therefore, the finding cost per mcf is $2.37. Figure No. 5-12 illustrates the 1987 refunds and cumulative dollars paid to fund the E&D programs.

General Rate Cases: There was one general rate increase case filed by Pennsylvania & Southern Gas Company and approved by the North Carolina Utilities Commission during 1987. The total amount approved by the Commission was $244,000, or 68.3% of the amount requested. See Figure No. 5-13.

F. NATURAL GAS PIPELINE SAFETY

History and Overview: On August 12, 1968, the United States Congress passed Public Law 90-481, better known as the Natural Gas Pipeline Safety Act of 1968. This Act authorized the Secretary of Transporation to administer this law, develop standards, and regulate enforcement of such standards for the design, installation, inspection, testing, construction, extension, operations, replacement, and maintenance of pipeline facilities. Section 5a of this Act authorized each state to regulate these minimum standards through certification by the Secretary of Transportation providing certain provisions were met.

Section 62-50 (Safety Standards of Interstate and Intrastate Natural Gas Pipelines) was enacted as Chapter 1134 of the 1967 Session Laws and became effective January 1, 1968. In the 1969 Legislature an amendment was added to Section 62-50 of the General Statutes which authorized the North Carolina Utilities Commission to administer a state program pertaining to the design, installation, inspection, testing, construction, extension, operations, replacement, and maintenance of pipeline facilities used to transport natural gas in North Carolina.

The procedures and standards adopted by the North Carolina Utilities Commission as authorized under Section 62-50 is known as the North Carolina Gas Pipeline Safety Code. This code is a mandatory requirement under state law and noncompliance by any persons engaged in the transportation of gas or persons who own or operate pipeline facilities is subject to a civil penalty not to exceed $1,000 per each violation for each day that such

violations persists, except that the maximum civil penalty shall not exceed $200,000 for any related series of violations. The law also provides authority for the Commission to file suit to restrain violations of the Code, including the restraint of transportation of gas for the operation of the pipeline facilities.

The North Carolina Gas Pipeline Safety Code is comprised of three basic sections: Part 191 (Report of Leaks), Part 192 (Minimum Federal Safety Standards), and Part 193 (Liquified Natural Gas Facilities). In order to comply with the certification of the Secretary of Transportation, the Commission must adopt as part of its Code all minimum federal safety standards.

There are four major gas utilities in North Carolina along with eight municipal gas systems. In addition the 1979 session of the North Carolina General Assembly gave the Utilities Commission jurisdiction over master meter operations. This added 168 distribution systems to the already existing 175, bringing the total to 343 systems which must be inspected for compliance with the North Carolina Gas Pipeline Safety Code. These systems include 1,599 miles of transmission mains and 10,795 miles of distribution mains serving more than 500,000 customers in North Carolina.

Enforcement Activity: During 1987 the Gas Pipeline Safety Section of the Commission Staff spent 360 days inspecting 46 natural gas operators. Of the 76 inspection units inspected, 63 violations were detected. By the end of the year, 41 of the violations had been corrected, in addition to the 8 carried over from 1986. The staff conducted three seminars in North Carolina for the state gas operators. Three accidents were investigated during the year. These accidents resulted in 22 injuries and one fatality with the resulting property damage in excess of $71,000. The cost of conducting the pipeline program for 1987 was $185,231, of which $102,405 was refunded to the State from the Department of Transportation.

G. SOURCE AND DISPOSITION OF THE GAS REVENUE DOLLAR

Shown in Figure No. 5-14 is a comparison chart reflecting both the source and disposition of the gas revenue dollar for the years 1980 through 1987. In Figure No. 5-15 this same information is illustrated in pie charts for both the source and disposition of the gas revenue dollar for 1987.

H. STATISTICAL SUMMARY DATA

The total gross operating revenues for the Class A natural gas companies were more than $615 million in 1987. This reflects a 1.0% increase from the previous year. Operating expenses including taxes decreased .4% in 1987, and net operating income increased 19.7%.

Interest on long-term debt increased 1.0%, and earnings per share outstanding increased from $2.03 in 1986 to $2.05 in 1987. The average number of common stock shares outstanding increased by 35.9% to 19,749,000 shares at the end of 1987. The average number of full-time employees in 1987 totaled 2,577, a decrease of 120 persons. The total wages paid these employees equaled $62,080,000, a 3.5% increase from the previous year. See Figure No. 5-16 for additional financial and operating statistical data.

FIGURE NO. 5-4

NATURAL GAS COMPANIES-- CLASS A
GROSS PLANT INVESTMENTS--YEAR-END DATA ($000s)
1963-1987

Year	N.C. Natural Gas Co.	Penn & Southern Gas Co.	Piedmont Natural Gas Co.	Public Service Co. of N.C.	United Cities Gas Co.	Totals	% Increase Over Prior Year
1963	$29,325	$2,338	$45,175	$37,293	$672	$114,803	
1964	30,237	2,505	49,765	42,591	694	$125,792	9.6 %
1965	31,136	2,730	55,621	48,008	705	$138,200	9.9 %
1966	32,272	3,059	59,880	54,382	763	$150,356	8.8 %
1967	34,353	3,360	65,384	61,963	922	$165,982	10.4 %
1968	40,463	3,655	72,417	68,359	919	$185,813	11.9 %
1969	44,597	3,876	79,287	74,799	1,001	$203,560	9.6 %
1970	47,676	4,064	86,347	80,825	1,386	$220,298	8.2 %
1971	51,691	4,366	89,675	86,047	1,623	$233,402	5.9 %
1972	54,416	4,581	99,864	90,964	1,868	$251,693	7.8 %
1973	56,571	4,792	107,031	95,663	2,070	$266,127	5.7 %
1974	58,162	4,858	110,179	100,982	2,275	$276,456	3.9 %
1975	59,981	5,304	111,973	111,602	2,402	$291,262	5.4 %
1976	62,363	5,451	113,970	118,924	2,606	$303,314	4.1 %
1977	64,355	5,440	117,842	123,821	2,744	$314,202	3.6 %
1978	66,859	5,595	125,140	129,207	3,010	$329,811	5.0 %
1979	70,393	5,826	132,120	137,009	3,211	$348,559	5.7 %
1980	76,058	6,284	147,546	151,932	3,942	$385,762	10.7 %
1981	82,091	6,406	160,032	165,475	4,350	$418,354	8.4 %
1982	87,482	6,660	174,280	184,661	--	$453,083	8.3 %
1983	92,729	6,834	189,714	199,101	--	$488,378	7.8 %
1984	98,956	7,061	206,014	219,625	--	$531,656	8.9 %
1985	113,096	7,439	224,957	239,663	--	$585,155	10.1 %
1986	128,428	7,828	245,324	257,193	--	$638,773	9.2 %
1987	134,465	8,114	272,499	284,795	--	$699,873	9.6 %
Percent Change							
1987 over 1986	4.7 %	3.7 %	11.1 %	10.7 %	--	9.6 %	

FIGURE NO. 5-5

CUSTOMERS BY CLASSIFICATION (YEARLY AVERAGE)
(N.C. Data Only)
1963-1987

Year	Residential	Commercial	Industrial (a)		Total	Other (b) Classes	Totals	% Increase Over Prior Year
			Firm	Interruptible				
1963	125,435	17,470			1,661	13,387	157,953	
1964	134,097	18,903			1,802	13,276	168,078	6.4 %
1965	145,080	20,613			1,860	17,834	185,387	10.3 %
1966	156,836	22,363			1,984	16,187	197,370	6.5 %
1967	169,127	24,241			2,107	15,639	211,114	7.0 %
1968	182,622	26,250			2,018	17,193	228,083	8.0 %
1969	196,570	28,918			2,625	18,580	246,693	8.2 %
1970	208,712	30,572			2,789	20,213	262,286	6.3 %
1971	220,941	31,834	1,451	857	2,308	20,435	275,518	5.0 %
1972	233,746	32,409	1,429	907	2,336	21,083	289,574	5.1 %
1973	242,405	33,245	1,339	879	2,218	21,645	299,513	3.4 %
1974	251,611	34,239	1,011	872	1,883	21,820	309,553	3.4 %
1975	255,339	35,141	1,037	825	1,862	22,221	314,563	1.6 %
1976	259,355	35,435	1,096	656	1,752	22,561	319,103	1.4 %
1977	267,629	35,141	1,312	550	1,862	17,007	321,639	0.8 %
1978	276,273	35,559	1,543	276	1,819	14,444	328,095	2.0 %
1979	280,289	36,162	1,561	248	1,809	14,794	333,054	1.5 %
1980	294,343	37,904	1,617	294	1,911	15,140	349,298	4.9 %
1981	304,072	39,108	1,709	283	1,992	14,979	360,151	3.1 %
1982	314,108	40,624	1,760	266	2,026	14,962	371,720	3.2 %
1983	324,569	42,364	1,863	263	2,126	15,095	384,154	3.3 %
1984	335,249	44,147	1,848	256	2,104	15,532	397,032	3.4 %
1985	348,331	45,770	2,270	265	2,535	15,222	411,858	3.7 %
1986	367,393	48,605	2,352	561	(c) 2,913	15,099	434,010	5.4 %
1987	399,056	52,465	2,299	639	2,938	15,098	469,557	8.2 %
Percent Change								
1987 over 1986	8.6 %	7.9 %	(2.3)%	13.9 %	0.9 %	0.0 %	8.2 %	

(a) Division of industrial customers between firm and interruptible not reported for the years 1963-1970.
(b) Includes public housing units rather than meters.
(c) N. C. Natural Gas Company increased its number of interruptible customers by 303 in 1986 over 1985.

FIGURE NO. 5-6

GAS COMPANIES--CUSTOMER GROWTH BY CLASSES
(North Carolina Data Only--Annual Average Shown)
1965, 1970, 1975, 1980, 1985, 1986, 1987

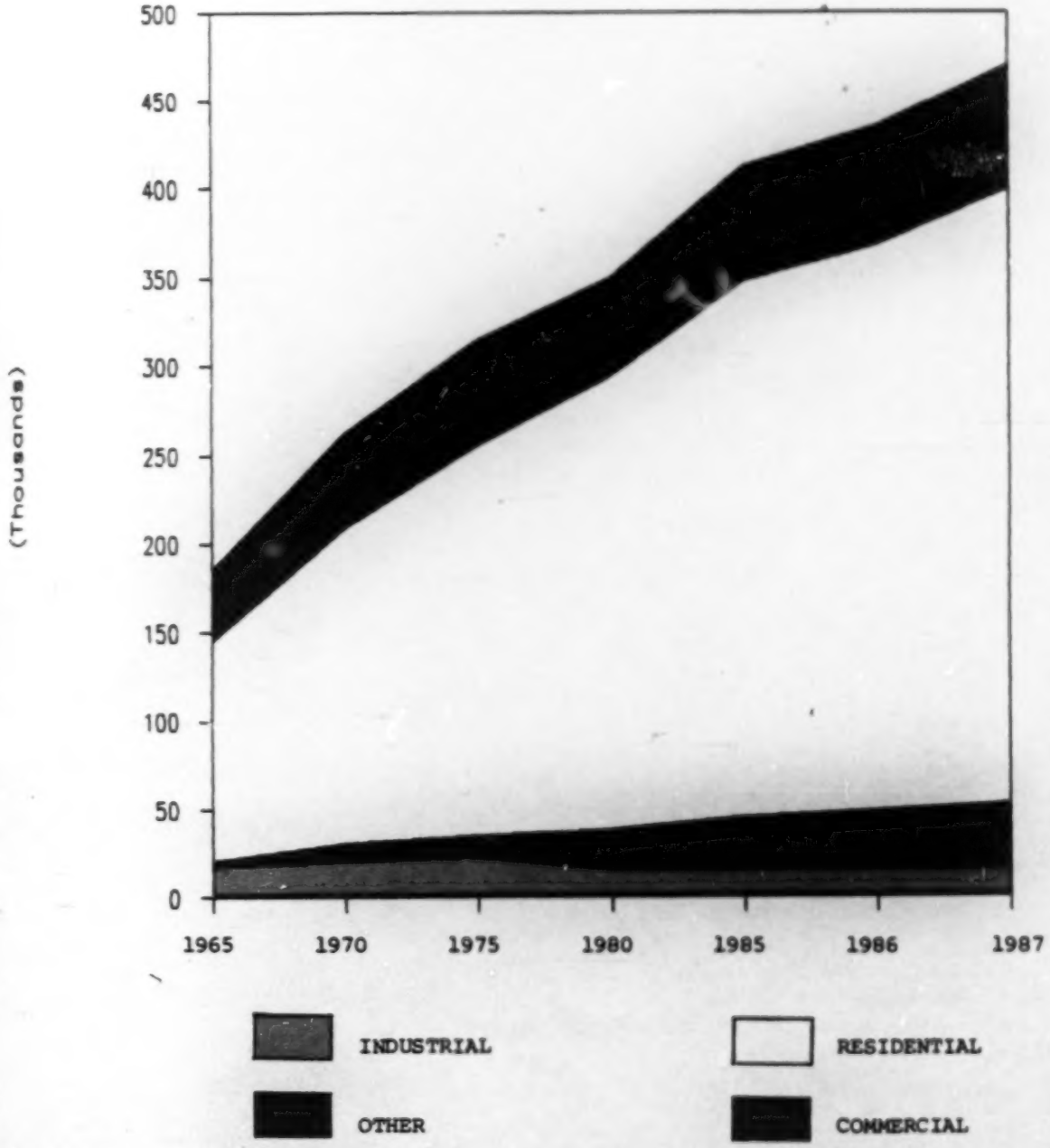


FIGURE NO. 5-7

GAS COMPANY ENERGY SALES BY CLASSES TO ULTIMATE CONSUMERS
(Millions of Dekatherms-North Carolina Data Only)
1975, 1980, 1984, 1985, 1986, 1987

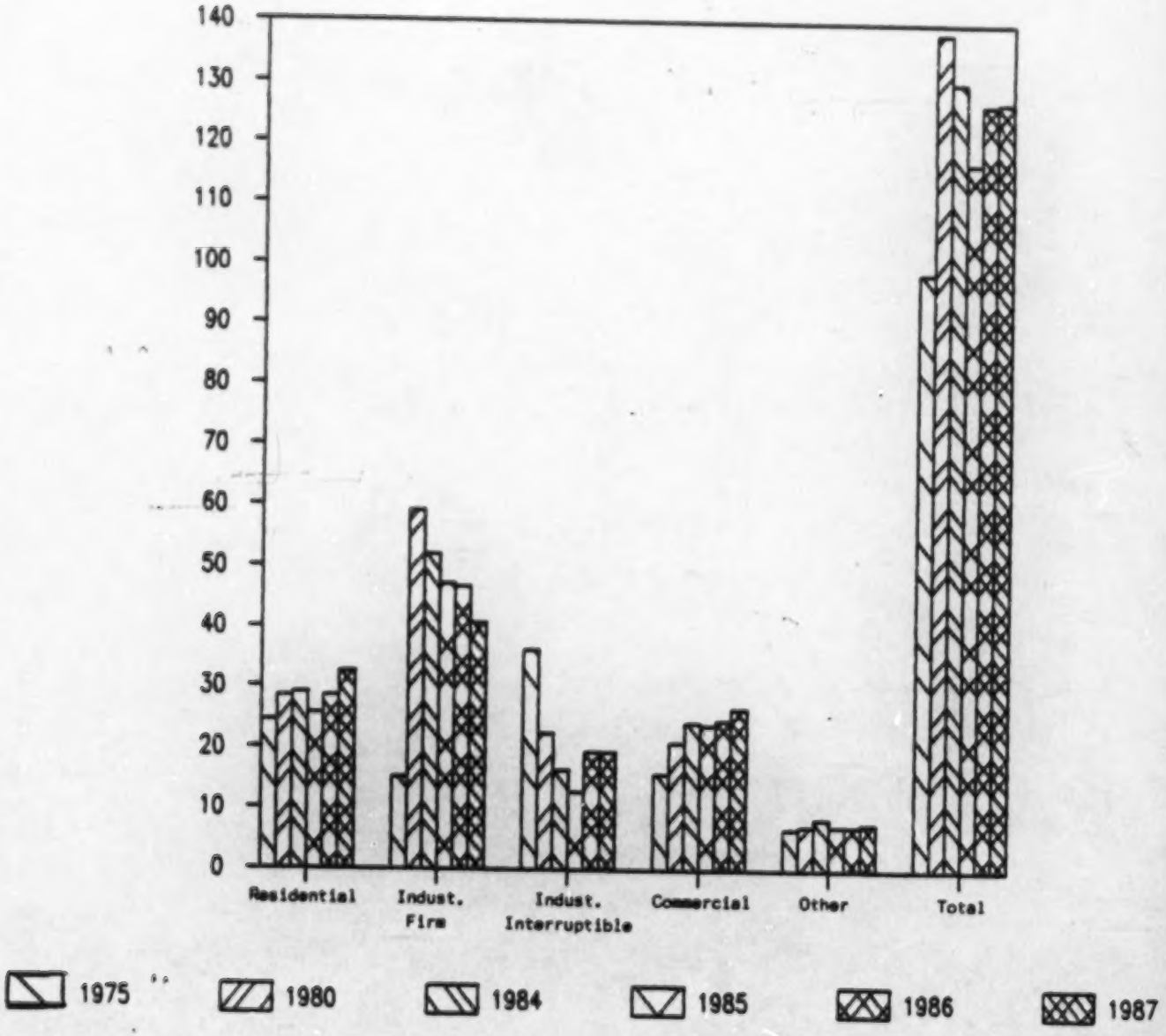


FIGURE NO. 5-8

Summary of Natural Gas Sales of Mcfs (1970-1975) and Dekatherms (1980-1987)
Revenues and Customers by Classification with Percent of Totals Shown
Calendar Years 1970, 1975, 1980, 1985, 1986, 1987

Sales--Mcfs and DTs (000s)	1970	% of Total	1975	% of Total	1980	% of Total
Residential	23,687	17.8 %	24,458	24.8 %	28,563	20.7 %
Commercial	14,889	11.2	15,867	16.1	20,946	15.1
Industrial	88,124	66.2	51,456	52.2	81,591	58.9
Other	6,344	4.8	6,768	6.9	7,320	5.3
Total Sales	133,044	100.0 %	98,549	100.0 %	138,420	100.0 %
Revenues: ($000s)						
Residential	$31,217	31.7 %	$49,823	31.4 %	$117,253	23.9 %
Commercial	16,295	16.5	28,308	17.8	78,126	15.9
Industrial	44,720	45.4	71,601	45.1	269,458	55.0
Other	6,255	6.4	9,028	5.7	25,181	5.1
Total Revenues	$98,487	100.0 %	$158,760	100.0 %	$490,018	100.0 %
Customers: (Annual Average)						
Residential	208,712	79.6 %	255,339	81.2 %	294,343	84.3 %
Commercial	30,572	11.7	35,141	11.2	37,904	10.9
Industrial	2,789	1.0	1,862	0.6	1,911	0.5
Other	20,213	7.7	22,221	7.1	15,140	4.3
Total Customers	262,286	100.0 %	314,563	100.0 %	349,298	100.0 %

Percent Change in Sales of Gas: (Mcfs and Dekatherms)

Sales:	1975/1970	1980/1975
Residential	3.3 %	16.8 %
Commercial	6.6	32.0
Industrial	(41.6)	58.6
Other	6.7	8.2
Total Sales	(25.9)%	40.5 %

FIGURE NO. 5-8 CONTINUED

Summary of Natural Gas Sales of Mcfs (1970-1975) and Dekatherms (1980-1987)
Revenues and Customers by Classification with Percent of Totals Shown
Calendar Years 1970, 1975, 1980, 1985, 1986, 1987

Sales--Mcfs and DTs (000s)	1985	% of Total	1986	% of Total	1987	% of Total
Residential	25,713	22.0 %	28,660	22.6 %	32,654	25.7 %
Commercial	24,003	20.5	24,741	19.5	26,631	20.9
Industrial	59,952	51.3	65,951	52.1	60,066	47.3
Other	7,206	6.2	7,281	5.8	7,743	6.1
Total Sales	116,874	100.0 %	126,633	100.0 %	127,094	100.0 %
Revenues: ($000s)						
Residential	$165,987	26.1 %	$186,173	30.9 %	$213,441	35.1 %
Commercial	135,834	21.3	133,032	22.1	138,251	22.7
Industrial	287,098	45.1	235,571	39.1	223,042	36.6
Other	47,560	7.5	47,615	7.9	33,819	5.6
Total Revenues	$636,479	100.0 %	$602,391	100.0 %	$608,553	100.0 %
Customers: (Annual Average)						
Residential	348,331	84.6 %	367,393	84.7 %	399,056	85.0 %
Commercial	45,770	11.1	48,605	11.2	52,465	11.2
Industrial	2,535	0.6	2,913	0.6	2,938	0.6
Other	15,222	3.7	15,099	3.5	15,098	3.2
Total Customers	411,858	100.0 %	434,010	100.0 %	469,557	100.0 %

Percent Change in Sales of Gas: (Mcfs and Dekatherms)

Sales:	1985/1980	1986/1985	1987/1986
Residential	(10.0)%	11.5 %	13.9 %
Commercial	14.6	3.1	7.6
Industrial	(26.5)	10.0	(8.9)
Other	(1.6)	1.0	6.3
Total Sales	(15.6)%	8.4 %	8.4 %

FIGURE NO. 5-9 A

REGULATED AND MUNICIPAL GAS SYSTEMS
Total Number of Customers, Total Revenue from Sales of Gas, and Total Mcfs & Dekatherms Sold
($, Mcf-Dekatherms in 000s)
(N. C. Data Only)

Total Number of Customers--Yearly Average

COMPANY	1970	1975	1980	1984	1985	1986	1987	% Change 1987-1986
Class A:								
N.C.Natural Gas	40,676	50,150	58,082	64,812	66,365	68,376	70,092	2.5 %
N.C. Gas Service (Penn. & Southern)	7,562	8,220	8,739	8,842	8,911	9,645	9,950	3.2
Piedmont Natural Gas	117,270	137,461	147,743	167,257	172,956	181,939	191,832	5.4
Public Service Co. of N.C.	94,942	116,198	131,787	156,121	163,626	174,050	197,683	13.6
United Cities Gas Co.	1,836	2,534	2,947	--	--	--	--	--
Total--Regulated Utilities (1)	262,286	314,563	349,298	397,032	411,858	434,010	469,557	8.2 %
Municipals:								
Bessemer City	534	508	354	562	565	584	602	3.1 %
Greenville, City of	4,057	4,687	3,456	4,203	4,409	4,561	4,885	7.1
Kings Mountain, City of	1,381	1,637	1,767	1,632	1,458	1,752	2,167	23.7
Lexington, City of	4,535	4,354	4,369	4,526	4,581	N/A	N/A	N/A
Monroe, City of	1,562	2,419	2,361	2,208	N/A	N/A	N/A	N/A
Rocky Mount, City of	5,580	7,460	8,195	9,001	9,437	9,779	9,891	1.1
Shelby, City of	3,752	3,767	3,684	4,284	4,250	4,301	4,326	0.6
Wilson, City of	4,626	5,442	5,873	6,351	6,386	6,448	6,552	1.6
Total--Municipals (2)	26,027	30,274	30,059	32,767	31,086	27,425	28,423	3.6 %
GRAND TOTALS--ALL GAS SYSTEMS	288,313	344,837	379,357	429,799	442,944	461,435	497,980	7.9 %

(1) Totals do not include sales for resale customers.
(2) Municipal Data for fiscal years ended June 30.

FIGURE NO. 5-9 B

REGULATED AND MUNICIPAL GAS SYSTEMS
Total Number of Customers, Total Revenue from Sales of Gas, and Total Mcfs & Dekatherms Sold
($, Mcf-Dekatherms in 000s)
(N. C. Data Only)

Total Revenue From Sales of Gas (N.C. Data Only) ($ in 000s)

COMPANY	1970	1975	1980	1984	1985	1986	1987	% Change 1987-1986
Class A:								
N.C. Natural Gas	$24,429	$42,986	$137,056	$182,410	$150,168	$131,203	$137,321	4.7 %
N.C. Gas Service (Penn. & Southern)	2,446	3,166	9,642	14,876	12,783	11,104	11,386	2.5
Piedmont Natural Gas	36,828	59,831	179,421	284,777	252,852	243,411	238,390	(2.1)
Public Service Co. of N. C.	33,995	52,053	159,891	253,588	214,496	216,673	221,456	2.2
United Cities Gas Co.	630	1,096	3,011	--	--	--	--	--
Total--Regulated Utilities (1)	$98,328	$159,132	$489,021	$735,651	$630,299	$602,391	$608,553	1.0 %
Municipals:								
Bessemer City	$167	$301	$1,023	$1,576	$1,196	$1,034	$879	(15.0)%
Greenville, City of	589	1,145	3,660	6,005	5,986	6,910	6,600	(4.5)
Kings Mountain, City of	479	947	2,817	4,544	3,972	3,761	3,902	3.7
Lexington, City of	1,327	1,930	6,759	12,700	12,360	N/A	N/A	N/A
Monroe, City of	680	1,001	3,078	6,966	N/A	N/A	N/A	N/A
Rocky Mount, City of	1,543	2,715	8,563	11,532	11,214	11,181	11,283	0.9
Shelby, City of	1,743	2,338	8,649	15,506	16,287	13,719	9,301	(32.2)
Wilson, City of	919	1,399	2,883	5,932	5,410	5,018	5,683	13.3
Total--Municipals (2)	$7,447	$11,776	$37,432	$64,761	$56,425	$41,623	$37,648	(9.6)%
GRAND TOTALS--ALL GAS SYSTEMS	$105,775	$170,908	$526,453	$800,412	$686,724	$644,014	$646,201	0.3 %

(1) Does not include Other Operating Revenues.
(2) Municipal Data for fiscal years ended June 30.

FIGURE NO. 5-9 C

REGULATED AND MUNICIPAL GAS SYSTEMS
Total Number of Customers, Total Revenue from Sales of Gas, and Total Mcfs & Dekatherms Sold
($, Mcf-Dekatherms in 000s)
(N. C. Data Only)

Total Mcfs and Dekatherms of Gas Sold (000s) (1)

COMPANY	1970	1975	1980	1984	1985	1986	1987	% Change 1987-1986
Regulated Utilities								
Class A:								
N. C. Natural Gas	39,687	30,763	41,947	34,273	30,522	31,875	33,198	4.2 %
N.C. Gas Service (Penn. & Southern)	4,265	1,898	2,672	2,455	2,200	2,152	2,377	10.5
Piedmont Natural Gas	46,231	34,822	48,991	49,952	46,358	49,976	48,011	(3.9)
Public Service Co. of N.C.	42,106	30,490	43,942	43,625	37,794	42,630	43,500	2.1
United Cities Gas Co.	755	576	868	--	--	--		--
Total--Regulated Utilities	133,044	98,549	138,420	130,305	116,874	126,633	127,094	0.4 %
Municipals:								
Bessemer City	259	290	379	339	229	200	209	4.5 %
Greenville, City of	456	600	940	916	956	1,186	1,186	0.0
Kings Mountain, City of	695	980	1,008	879	761	810	969	19.6
Lexington, City of	2,018	2,024	2,609	2,731	2,680	N/A	N/A	N/A
Monroe, City of	810	670	878	1,112	N/A	N/A	N/A	N/A
Rocky Mount, City of	1,726	1,608	2,170	1,957	1,963	2,038	2,167	6.3
Shelby, City of	3,676	2,760	3,553	3,463	3,652	3,200	3,520	10.0
Wilson, City of	821	782	853	941	877	831	906	9.0
Total--Municipals (2)	10,461	9,714	12,390	12,338	11,118	8,265	8,957	8.4 %
GRAND TOTALS--ALL GAS SYSTEMS	143,505	108,263	150,810	142,643	127,992	134,898	136,051	0.9 %

(1) Sales for period 1965-1975 shown in Mcfs. Sales from 1980 shown in dekatherms (DTs). Dekatherms = 1.030 Mcfs.
(2) Municipal Data for fiscal years ended June 30.

FIGURE NO. 5-10

RESIDENTIAL NATURAL GAS CUSTOMERS' AVERAGE ANNUAL USAGE AND COST DATA (Mcf and DT)
North Carolina and Selected Gas Companies Outside North Carolina
For the Years 1970, 1975, 1980, 1985, 1986, 1987

Company	Use--Mcf & DT (1)						Rate per Mcf or DT						Total Cost					
N.C. Gas Companies:	1970	1975	1980	1985	1986	1987	1970	1975	1980	1985	1986	1987	1970	1975	1980	1985	1986	1987
(N.C. Data Only)																		
N.C. Natural Gas Corp.	89	77	79	68	65	73	$1.55	$2.02	$4.04	$6.03	$5.87	$6.34	$137.95	$155.54	$319.16	$361.00	$381.55	$462.82
N.C. Gas Service (Penn. & Southern)	138	116	92	71	75	82	1.00	1.79	4.11	6.67	6.25	5.02	138.00	207.64	378.12	473.57	468.75	477.24
Piedmont Natural Gas Co., Inc.	124	97	106	79	84	90	1.46	1.99	4.07	6.51	6.56	6.17	181.04	193.03	431.42	514.29	551.04	555.30
Public Service Co. of N.C., Inc.	115	98	95	73	77	77	1.39	2.15	4.11	6.51	6.42	7.02	159.85	210.70	390.45	475.23	509.74	540.54
United Cities Gas Co. (2)	93	88	89	---	---	---	1.53	2.40	4.10	---	---	---	142.29	211.20	372.02	---	---	---
Weighted Average	116	95	97	76	78	82	$1.32	$2.05	$4.00	$6.46	$6.50	$6.54	$141.90	$194.75	$395.76	$470.04	$507.00	$536.20
Gas Companies Outside N.C.:																		
(Systemwide Data) (3)																		
Gas Company / Headquarters																		
Alabama Gas Co. / Birmingham, Alabama	120	91	93	79	74	78	$1.09	$1.72	$4.01	$6.27	$6.51	$6.61	$130.80	$156.52	$372.93	$495.33	$481.74	$515.58
Arkansas Western Gas / Fayetteville, Arkansas	139	114	105	98	84	85	.82	1.12	2.59	4.90	5.07	4.70	113.98	127.68	271.95	441.00	425.88	399.50
Essex County Gas Co.	110	93	89	85	87	90	1.73	2.93	5.26	8.09	7.93	7.01	190.30	272.49	468.14	721.65	689.91	630.90
Fall River Gas Co.	93	86	93	89	94	95	1.75	3.61	5.83	7.84	6.48	5.69	162.75	310.46	467.79	626.56	609.12	540.55
Indiana Gas. Co.	170	168	144	114	113	107	1.06	1.37	2.95	6.53	6.22	5.80	180.20	219.20	424.80	744.42	702.86	620.60
Mississippi Valley Gas Co.	102	87	90	78	73	76	.88	1.41	3.38	5.12	5.33	5.81	89.76	122.67	297.80	399.36	389.09	441.56
Washington Natural Gas Co.	124	122	97	93	94	84	1.27	2.12	4.92	6.69	6.15	5.39	157.48	258.64	477.24	622.17	578.10	452.76
National Average (4)	129	122	115	98	94	93	$1.86	$1.69	$3.17	$5.95	$5.65	$5.39	$133.10	$206.10	$364.55	$583.10	$531.10	$501.27

(1) 1970-1975 Use shown in Mcfs
1980-1987 Use shown in Dekatherms (DTs)
1 Dekatherm = 1.030 Mcfs

(2) Public Service Co. of N.C., Inc. purchased United Cities Gas Co. and assumed full operation and control on Oct. 1, 1982, (Docket No. G-5, Sub 179)

(3) Source: Company Annual Stockholder Reports

(4) Source: Gas Facts--Editions for years shown

FIGURE NO. 5-11

GAS TRACKING CHANGES APPROVED
1987

Company	Docket	Number	Increase/ (Decrease)	Increase/(Decrease) Per Dekatherm
N.C. Gas Company (Penn. & Southern)	G-3, SUBS 140 & 146	2	($1,759,678)	(77.09 cents)/DT
N.C. Natural Gas Company	G-21, SUBS 263 & 266	2	(12,208,505)	(93.53 cents)/DT
Piedmont Natural Gas Company	G-9, SUBS 257, 268 & 274	2	(46,179,558)	(92.90 cents)/DT
Public Service Gas Company	G-5, SUBS 213, 222 & 223	2	(36,360,208)	(81.48 cents)/DT
Total		8	($96,507,949)	

FIGURE NO. 5-12

1987 REFUNDS AND CUMULATIVE DOLLARS PAID TO FUND E & D PROGRAMS
BY TYPICAL RESIDENTIAL CUSTOMER AS OF 12/31/87

Company	Cumulative Costs per Customer		Customer Refunds 1987	Balance 12-31-87
	Total 1975-1982	Balance 1-01-87		
N.C. Gas Service (Penn. & Southern)	$30.86	$21.24	($1.07)	$20.17
N.C. Natural Gas Company	51.26	30.89	(5.37)	25.52
Piedmont Natural Gas Company	36.88	18.60	(3.22)	15.38
Public Service Gas Company	49.71	29.70	(6.51)	23.19

FIGURE NO. 5-13

GENERAL RATE INCREASES APPROVED
GAS COMPANIES
1987

Company	Date Filed	Docket Number	Amount Requested ($000s)	Amount Approved ($000s)	% Approved of Amount Requested	Date of Final Order
Pennsylvania & Southern Gas Company	5-05-87	G-3, Sub 141	$357	$244	68.3%	8-05-87
Total			$357	$244	68.3%	

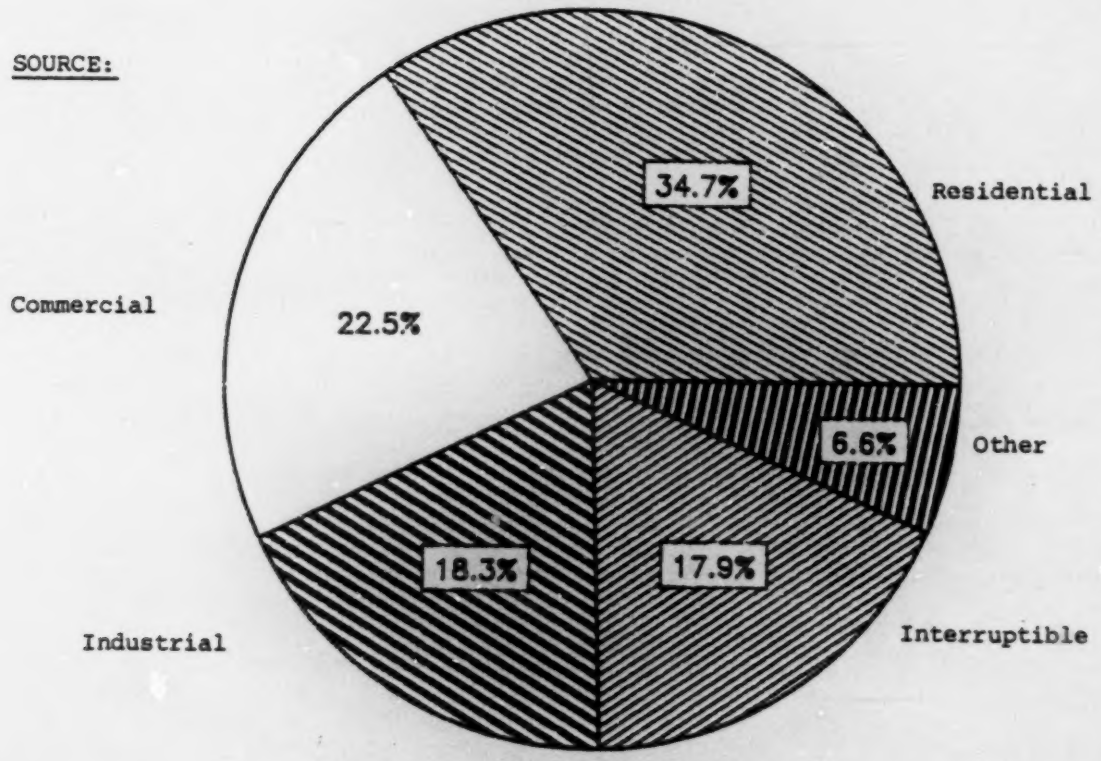
FIGURE NO. 5-14

SOURCE AND DISPOSITION OF THE OPERATING REVENUE DOLLAR
(N.C. DATA ONLY)
For the Years 1980-1987

Source	1980	1981	1982	1983	1984	1985	1986	1987
Residential	24%	23%	25%	26%	26%	26%	30%	35%
Commercial	16	16	18	19	19	21	22	22
Industrial	48	41	39	36	38	36	21	18
Interruptible	7	15	13	13	12	9	18	18
Other	5	5	5	6	5	8	9	7
Total	100%	100%	100%	100%	100%	100%	100%	100%

Disposition	1980	1981	1982	1983	1984	1985	1986	1987
Cost of Purchased Gas	75%	76%	76%	75%	74%	76%	71%	68%
Other Operating Expenses	8	7	9	8	8	10	11	12
Depreciation & Amortization	2	2	2	2	2	2	3	3
Income Taxes	3	1	1	3	3	2	3	4
General Taxes	7	7	7	7	7	4	4	4
Interest	2	3	2	2	2	3	3	3
Preferred Dividends	2	2	2	2	1	1	1	1
Common Stock Earnings	1	2	1	1	3	2	4	5
Total	100%	100%	100%	100%	100%	100%	100%	100%

FIGURE NO. 5-15
SOURCE AND DISPOSITION OF THE REVENUE DOLLAR
GAS COMPANIES
NORTH CAROLINA DATA ONLY
1987



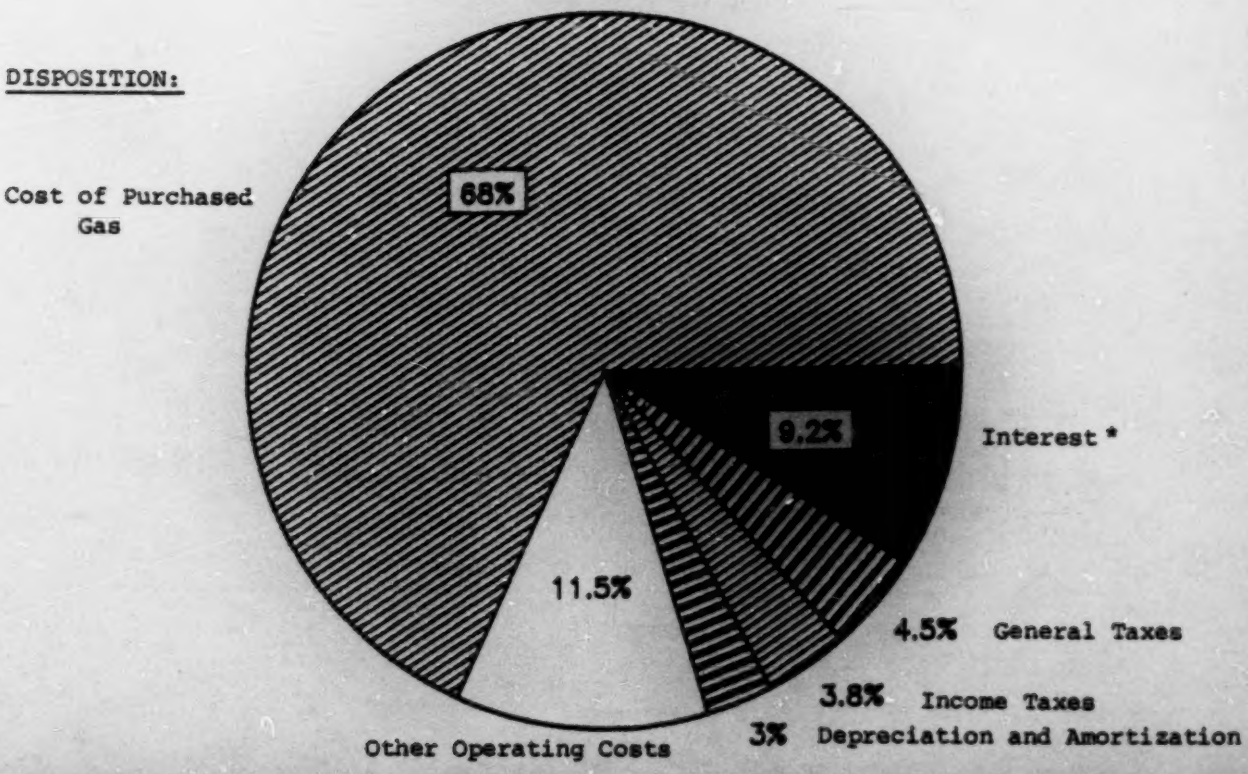


FIGURE NO. 5-16 A
CLASS A GAS COMANIES
INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS
For the Years 1970, 1975, 1980, 1985, 1986 and 1987
(NC Data Except as Noted)

ITEM	1970	1975	1980	1985	1986	1987	% Change 1987-1986
Number of Companies Regulated	5	5	5	4	4	4	
Number included in this data	5	5	5	4	4	4	
INCOME STATEMENT (000s):							
Sales--Residential		$49,023	$117,253	$165,900	$186,173	$213,441	14.6 %
Commercial		28,308	78,126	135,833	133,832	138,251	3.9
Industrial-Firm		37,712	235,197	227,489	127,347	112,751	(11.5)
Industrial-Interruptible		33,890	34,261	59,610	108,224	110,291	1.9
Other Sales		9,399	24,184	41,379	47,615	33,819	(29.0)
Total Sales of Gas	$98,329	159,132	489,021	630,299	602,391	608,553	1.0
Other Operating Revenues	159	(372)	997	6,180	6,646	6,792	2.2
Total Gas Operating Revenues	$98,487	$158,760	$490,018	$636,479	$609,037	$615,345	1.0 %
Expense Items:							
Production Expense	$51,629	$81,995	$367,455	$481,460	$433,149	$418,225	(3.4)%
Transmission Expense	1,909	264	395	2,671	2,861	2,807	(1.9)
Distribution Expense				19,482	20,267	21,421	5.7
Customer Accounts Expense				11,794	13,180	15,216	15.4
Sales Expense		1,258	2,396	4,253	5,271	5,362	1.7
Administrative & General Expense				22,804	25,500	29,245	14.7
Depreciation Expense	5,153	7,660	18,597	14,901	16,436	18,546	12.8
Natural Gas Storage				1,763	1,992	2,187	9.8
Customer Service & Informational Expense				415	446	531	19.1
Other Expense	11,688	20,323	34,520	0	0	0	0.0
Total Operating Expenses Before Taxes	$70,378	$111,500	$415,363	$559,471	$519,110	$513,540	(1.1)%
State Taxes:							
Income Tax	$655	$1,286	$1,353	$881	$1,564	$3,592	N/C
Gross Receipts Tax		9,682	29,822	20,894	18,802	19,851	5.6 %
Property Tax	8,289	2,758	3,120	3,958	4,201	4,049	(3.6)
Other State Taxes		66	197	98	1,529	156	(89.8)
Total State Taxes	$8,944	$13,704	$33,700	$25,831	$26,096	$27,648	5.9 %
Federal Taxes:							
Income Tax	$4,512	$9,053	$6,345	$3,329	$10,335	$21,446	107.5 %
Provision for Deferred Taxes		2,354	3,435	7,283	9,470	2,500	(73.6)
Income Tax Deferred in Prior Years		(13)	(9)	(12)	(12)	(3,182)	N/C
Investment Tax Credit		288	2,637	2,920	(148)	(935)	N/C
Payroll, Unemployment & Other Federal Taxes	1,118	866	1,461	2,897	1,581	3,339	111.2
Total Federal Taxes	$5,630	$12,468	$13,869	$16,416	$21,226	$23,168	9.1 %
Total State & Federal Taxes	$14,574	$26,172	$47,569	$42,247	$47,322	$50,816	7.4 %
Total Operating Expenses	$84,952	$137,672	$462,932	$601,718	$566,432	$564,356	(0.4)%

N/C : Not Comparable

FIGURE NO. 5-16 B
CLASS A GAS COMANIES
INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS
For the Years 1970, 1975, 1980, 1985, 1986 and 1987
(NC Data Except as Noted)

ITEM	1970	1975	1980	1985	1986	1987	% Change 1987-1986
Net Operating Income	$13,535	$21,088	$27,086	$34,761	$42,605	$50,989	19.7 %
Other Income & Expenses							
Other Income	$1,003	$438	$3,013	$2,320	$2,174	$4,390	102.3 %
Allowance for Funds Used During Construction		484	99	1,191	1,391	682	(51.0)
Deductions from Income		53	256	1,103	1,192	1,910	60.2
Total Other Income & Expense	$1,003	$869	$2,856	$2,408	$2,373	$3,170	33.6 %
Fixed Charges							
Interest on Funded Debt	$6,428	$7,790	$9,348	$14,689	$17,552	$17,731	1.0 %
Other Fixed Charges	1,359	948	2,915	5,462	3,527	3,533	0.2
Allow. for Borrowed Funds Used During Construction				(485)	(715)	(178)	(75.1)
Total Fixed Charges	$7,787	$8,738	$12,263	$19,666	$20,364	$21,086	3.5 %
Extraordinary Items				458	0	0	0.0 %
Net Income	$6,751	$13,219	$17,679	$17,961	$24,614	$33,073	34.4 %
BALANCE SHEET (000s):							
Utility Plant in Service	$220,298	$280,163	$379,473	$563,715	$624,759	$673,449	7.8 %
Construction Completed Not Classified	0	0	0	2,078	2,623	2,845	8.5
Leased to Others	0	23	23	19	19	19	0.0
Held for Future Use	0	736	250	1,304	1,322	356	(73.1)
Construction Work in Progress	0	10,452	6,836	17,589	9,600	22,754	N/C
Acquisition Adjustments	0	(112)	(20)	450	450	450	0.0
Total Utility Plant	$220,298	$291,262	$385,762	$585,155	$638,773	$699,873	9.6 %
Depreciation Reserve	41,397	70,874	115,234	177,459	192,276	214,825	11.7
Net Utility Plant	$178,901	$220,388	$270,528	$407,696	$446,497	$485,048	8.6 %
Customer Accounts Receivable				$65,344	$64,653	$57,167	(11.6)%
Accounts Receivable--Associated Companies				8,443	7,935	8,535	7.6
U.S. Government Securities				0	0	0	0.0
Temporary Cash Investments				0	1,001	701	(30.0)
Gas Stored Underground				23,031	21,215	21,148	(0.3)
Liquified Natural Gas Stored				8,552	7,832	5,953	(24.0)
Deferred Cost of Purchased Gas				9,295	6,917	5,087	(26.5)
Investment in Subsidiary Company				6,549	7,407	7,870	6.3
Prepayments				2,326	2,564	2,513	(2.0)
Miscellaneous Current & Accrued Assets				10,875	10,548	8,650	(17.9)
Other Assets				24,884	21,783	20,861	(4.2)
Total Assets (A)				$566,995	$598,352	$623,561	4.2 %

(A) For the years prior to 1984 there was no allocation of these items to the North Carolina operations.
N/C = Not Comparable

FIGURE NO. 5-16 C
CLASS A GAS COMPANIES
INCOME STATEMENT, BALANCE SHEET, AND CUSTOMER STATISTICS
For the Years 1970, 1975, 1980, 1985, 1986 and 1987
(NC Data Except as Noted)

ITEM	1970	1975	1980	1985	1986	1987	% Change 1987-1986
Liabilities & Stockholder's Equity (A):							
Preferred Stock				$5,682	$4,727	$3,852	(18.5)%
Common Stock				9,152	9,492	19,112	101.3
Other Paid-in Capital				27,737	29,909	46,342	54.5
Premium on Capital Stock				29,458	45,039	47,347	5.1
Less Discount on Capital Stock				0	0	0	0.0
Less Capital Stock Expense				($331)	($331)	($338)	2.1
Retained Earnings				84,562	89,915	94,552	5.2
Other Capital				0	0	0	0.0
Total Stockholder's Equity				$156,180	$178,831	$210,867	17.9 %
Total Long-Term Debt				$154,690	$180,749	$181,382	0.4 %
Short-Term Obligations				0	0	0	0.0
Accounts Payable				65,688	61,963	53,401	(13.8)
Taxes Accrued				3,397	13,307	12,224	(8.1)
Matured Long-Term Debt				3,195	2,362	2,362	0.0
Refunds Payable				2,356	(33)	3,565	N/C
Accumulated Deferred Income Taxes				56,417	64,665	64,392	(0.4)
Accumulated Deferred Investment Tax Credits				22,297	22,093	21,055	(4.7)
Miscellaneous Current & Accrued Liabilities				3,724	1,612	5,745	N/C
Operating Reserves				184	120	0	(100.0)
Other Liabilities				98,867	72,683	68,568	(5.7)
Total Liabilities				$410,815	$419,521	$412,694	(1.6)%
Total Liabilities & Stockholder's Equity (A)				$566,995	$590,352	$623,561	4.2 %
SYSTEMWIDE DATA:							
BALANCE SHEET ITEMS (000s):							
Long-Term Debt	$143,161	$146,661	$148,985	$202,452	$241,276	$234,440	(2.8)%
Retained Earnings	$24,224	$48,294	$72,086	$106,619	$114,264	$116,274	1.8 %
Total Capitalization	$223,838	$258,189	$299,888	$399,488	$474,632	$498,662	5.0 %
Long-Term Debt % of Total Captialization	64.0%	56.8%	49.7%	50.7%	50.8%	47.0%	(7.5)%
Average Number of Common Shares Outstanding (Actual)	6,156	7,115	8,432	9,383	14,532	19,789	35.9 %
Earnings Per Average Common Shares Outstanding (After Preferred Dividends)	$1.24	$1.99	$2.37	$2.11	$2.03	$2.05	1.0 %
CUSTOMER AND MISCELLANEOUS DATA (NC DATA):							
Average Annual Use--Residential Customers (DTs)	116	95	97	74	78	82	5.1 %
Total Residential Customers	208,712	255,339	294,343	340,331	367,393	399,056	8.6 %
Grand Total--All Type Customers	262,206	314,563	349,298	411,858	434,810	469,557	8.2 %
Average Number Full-Time Employees	1,851	1,764	2,067	2,404	2,697	2,577	(4.4)%
Total Salaries and Wages Paid Employees ($000s)	$13,539	$17,216	$33,085	$53,141	$59,957	$62,088	3.5 %
Average Annual Compensation Per Employee	$7,314	$9,760	$16,006	$22,105	$22,231	$24,090	8.4 %

(A) For the years prior to 1984 there was no allocation of these items to the North Carolina operations.
N/C = Not Comparable

FIGURE 6-1

LOCAL EXCHANGE TELEPHONE COMPANIES OPERATING
UNDER THE JURISDICTION OF THE
NORTH CAROLINA UTILITIES COMMISSION
AS OF DECEMBER 31, 1988

ALLTEL-Carolina, Inc.
P.O. Box 1209
106 Gordon Street
Sanford, N.C. 27330
MR. GEORGE H. SIDMAN, PRESIDENT

Barnardsville Telephone Company
P.O. Box 158
Leesburg, Alabama 35983
MR. JOSEPH E. HICKS, PRESIDENT

Carolina Telephone & Telegraph Company
720 Western Blvd.
Tarboro, N.C. 27886
MR. WILLIAM F. WARDELL, V.P.- ADMIN.

Central Telephone Company
P.O. Box 2308
Hickory, N.C. 28601
MR. LARRY B. HOUCK, VICE PRESIDENT

Citizens Telephone Company
P.O. Box 1137
Brevard, N.C. 28712
MR. C.W. PICKELSIMER, JR., V.P. & GEN. MNGR.

Concord Telephone Company
P.O. Box 227
Concord, N.C. 28025
MR. PHIL WIDENHOUSE, EXECUTIVE VICE PRESIDENT

Contel of North Carolina, Inc.
Reems Creek Road
P.O. Box 655
Weaverville, N.C. 28787
MR. JIM THOMAS, ADMINISTRATOR-PUBLIC AFFAIRS

Contel of Virginia, Inc.
1108 East Main Street, Suite 1108
Richmond, Virginia 23219
MR. DALLAS H. REID, DIRECTOR

Ellerbe Telephone Company
Drawer 220
Ellerbe, N.C. 28338
MR. J.H. BENNETT, PRESIDENT

GTE South, Inc.
P.O. Box 1412
Durham, N.C. 27702
MR. TERRY M. DESMOND, GOVT. REL. MNGR.

Heins Telephone Company
P.O. Box 1209
109 Gordon Street
Sanford, N.C. 27330
MR. GEORGE H. SIDMAN, PRESIDENT

Lexington Telephone Company
P.O. Box 808
Lexington, N.C. 27292
MR. W.C. HARRIS, PRESIDENT

Mebane Home Telephone Company
P.O. Box 9
Mebane, N.C. 27302
MR. W.R. HUPMAN, JR., PRESIDENT

North State Telephone Company
P.O. Box 2326
High Point, N.C. 27261
MR. ROYSTER M. TUCKER, PRESIDENT

Pineville Telephone Company
200-208 Dover Street
Pineville, N.C. 28134
MR. JOSEPH BAKER, MANAGER

Randolph Telephone Company
Drawer A
Liberty, N.C. 27298
MR. W.M. FITZGERALD, PRESIDENT

Saluda Mountain Telephone Company
P.O. Box 37
Saluda, N.C. 28773
MR. EDWIN C. LELAND, PRESIDENT

Sandhill Telephone Company
P.O. Box 1209
109 Gordon Street
Sanford, N.C. 27330
MR. GEORGE H. SIDMAN, PRESIDENT

FIGURE 6-1 CONTINUED

LOCAL EXCHANGE TELEPHONE COMPANIES OPERATING
UNDER THE JURISDICTION OF THE
NORTH CAROLINA UTILITIES COMMISSION
AS OF DECEMBER 31, 1988

Service Telephone Company
P.O. Box 158
Leesburg, Alabama 35983
MR. JOSEPH E. HICKS, PRESIDENT

Southern Bell Telephone & Telegraph Co.
P.O. Box 30188
10th Floor Southern National Center
Charlotte, N.C. 28230
MR. CARL E. SWEARINGEN, ASSIST. VICE PRESIDENT

MAJOR LONG DISTANCE CARRIER OPERATING
UNDER THE JURISDICTION OF THE
NORTH CAROLINA UTILITIES COMMISSION
AS OF DECEMBER 31, 1988

AT&T Communications of the Southern States, Inc.
P.O. Box 2148
Charlotte, N.C. 28211
Mr. B.C. Morrow, Jr., Assist. Vice President

A. BRIEF REVIEW OF THE TELEPHONE INDUSTRY--GENERAL

At December 31, 1987, there were nineteen telephone companies, one major interexchange carrier, and one telephone municipality under the jurisdiction of the North Carolina Utilities Commission. Six of these companies also have operations in other states. These companies include ALLTEL Carolina Telephone Company, American Telephone and Telegraph Communications, Inc., Central Telephone Company, Continental Telephone of Virginia, GTE South, Inc., and Southern Bell Telephone and Telegraph Company.

The statistical comparisons of the major telephone companies are shown in the schedules following the narrative section of this chapter and include data through 1987. However, more recent data was available and utilized for various schedules. The schedule headlines identify the time period covered.

A list of the Telephone Holding Companies and their wholly owned or controlled operating telephone companies, which were under Commission regulation as of December 31, 1987, is as follows:

Parent Holding Company	Operating Telephone Company
BellSouth Corp.	Southern Bell Tel. & Tel. Co.
Centel Corporation	Central Tel. Co.
Continental Tel. Co.	Cont. Tel. Co. of North Carolina
	Cont. Tel. Co. of Virginia (Serves Knotts Island, N.C.)
Gen. Tel. & Electronics	GTE South, Inc.
Alltel Corporation	ALLTEL Carolina Tel. Co.
	Sandhill Tel. Co.
T.D.S. Inc. (Telephone & Data Systems, Inc.)	Barnardsville Tel. Service Tel. Co.
United Telecommunications, Inc.	Carolina Tel. & Tel. Co.

Long Distance Competition

The Commission authorized full intrastate interLATA toll competition by both facilities-based and resale interchange carriers (IXCs) and intraLATA toll competition through the resale of interLATA WATS, 800 service, MTS, FX-like and private line-like services leased from the local exchange companies (LECs). IntraLATA toll calls completed over any other facilities remain subject to payment of compensation to the LECs at a rate of 4.72 cents per conversation minute. During 1987 the Commission made no changes in the level of intrastate toll competition previously authorized.

The Commission revised its rules governing the filing of rates and tariffs by the certified IXCs to allow competing carriers (except AT&T) to raise or lower their rates on 14 days' notice to the Commission. The 14 days' notice also applies to rate increases to affected subscribers. AT&T is allowed to decrease rates on 14 days' notice to the Commission and to increase rates up to AT&T's capped rates on 14 days' notice to the Commission and to the affected subscribers. At the end of 1987, fourteen (14) IXCs have been certified to operate in North Carolina, including one carrier that is a wholly owned subsidiary of an LEC. There were two IXC applications for certification pending at the end of 1987.

Access Charges

Hearings were held in 1987 to address the following issues: Whether further reductions should be made in intrastate access charges; the replacement of the intrastate access charge revenue settlement pooling arrangement with a bill and keep arrangement; the replacement of the existing uniform statewide access rates and charges with LEC specific access rates and charges; and whether universal WATS access lines (UWAL) are in the public interest.

In the access charge hearings the Commission ordered that terminating

carrier common lines charges remain uniform at current levels and ordered a phase-in of company specific originating carrier common line charges over a three-year period.

In the universal WATS access lines (UWALS) hearings, the Commission concluded that, effective February 15, 1988, UWALS may be used in both a bi-jurisdictional (interstate and intrastate interLATA) and a bidirectional (WATS and 800 service) mode.

Depreciation Studies

The telecommunications industry's structure and operating environment is being altered as a result of the Federal Communications Commission's (FCC) decisions and technical changes. The cumulative effect of the FCC decisions deregulating the industry and the rapidly occurring technological changes are causing earlier retirements of telephone company investments. Thus, depreciation represcription requests by telephone companies have increased in frequency and in dollar amounts.

During 1987 the Commission approved depreciation rates that resulted in depreciation expense increases of $36.7 million. The prime reason for the depreciation rate increases is economic obsolescence of the older technology represented by analog switching equipment and paired copper cables. The enhanced services and economic advantages associated with new technologies, such as digital switching equipment and optical fiber cables, justifies the accelerated retirement of the older facilities.

Alternate Operator Services (AOS) Companies

The AOS companies are a new type entrant into the telecommunications industry. The AOS companies provide service by signing contracts with entities whereby all operator-assisted calls are routed to the AOS company for completion. Many AOS companies appear to be handling local and direct dialed long-distance calls as well. These companies are primarily competing with AT&T's operator service offerings available for hotel/motels, hospitals, and customer-owned pay telephones. The AOS companies pay commissions on operator-assisted calls from patrons of the hotel/motels, hospitals, or customer-owned pay telephones. This incentive was not being offered by AT&T in 1987.

In comparison with AT&T and other interexchange carriers, the AOS companies tend to charge much higher rates.

At the end of 1987, two applications for certification of AOS companies were pending. Public hearings had been held for one AOS company application by the end of the year.

Shared Use and Resale

The North Carolina General Assembly ratified a bill in 1987 which authorized the Commission to adopt procedures for allowing shared use and/or resale of any telephone service provided to persons who occupy the same adjoining premises. The legislation required that rates for lines or trunks being shared or resold be on a measured basis where available or otherwise on a message basis.

The Commission order adopting procedures requires all telephone companies to charge rates to resellers which are 80% of the comparable flat rate, plus five cents per initial minute and two cents for each additional minute with a 50% off-peak discount. The alternative message rates are 80% of the comparable flat rate, plus 12 cents per message. Entities which provide service exclusively to the exception group, as identified by the Legislature, are exempted from the measured or message rates as long as they only share service.

Deregulation of Customer Premises Equipment

All telephone terminal equipment was deregulated by the end of 1987, but

the determination of the value which will be placed on the asset had not been completed by year end. The transfer value of CPE will be decided by the Commission in further proceedings.

B. CUSTOMER GROWTH AND IMPACT ON PLANT INVESTMENT

The regulated utilities had a total of 2,866,727 access lines in service as of December 31, 1987. This is an increase of 4.4% from 1986 with 2,746,345 access lines. Figure No. 6-1 shows total telephones by companies for the years 1960, 1965, 1970, 1980, and 1981. Figure No. 6-2 shows access lines for the years 1986 and 1987. In 1982 the telephone industry changed its system of reporting the number of telephones served by each company to the number of access lines. For a defintion of access line see Figure No. 6-3. In 1987 Southern Bell Telephone and Telegraph Company continued to serve 50% and Carolina Telephone and Telegraph continued to serve 25% of the total customers in North Carolina.

The installation of additional access lines required additional investment. For example, in installing an additional access line, provisions must be made for central office equipment, circuits, and lines to accommodate the traffic potential of the installation. The telephone companies generally attempt to engineer for a five- to seven-year growth period in outside cable plant facilities and for a one- to two-year growth period in central office equipment. Unlike other industries, increased volume and increased installations do not necessarily mean increased profits for the telephone utilities. In many instances increased volume can mean less net earnings where the unit cost of servicing the investment exceeds additional unit revenue derived. This is particularly true in sparsely populated areas requiring high investment per line. The same unit profit squeeze may also be evident in meeting demands for higher grades of service; for example, because of rate differentials where a subscriber who had been receiving four-party service asks for and receives one-party service, the increased revenue per unit may not keep pace with the additional investment and expense.

C. DEMANDS FOR SERVICE

The telephone companies in North Carolina for several years have been faced with an enormous challenge in meeting demands for service. However, as more and more telephone service is extended throughout the State, the overall problem changes somewhat from satisfying demands for service, on which the Commission and the companies have placed special emphasis, to satisfying demands for better quality and upgraded service.

D. EXTENDED AREA SERVICE (EAS)

Extended Area Service is the industry term applied to the extension of local calling from one telephone exchange to and from another exchange without a toll charge being levied. Extended area coverage was approved for five (5) companies in 1987 and four (4) companies in 1988.

E. TELEPHONE RATES--COMMENTS

Local Exchange Rates

These are the monthly charges for basic telephone service as fixed by the Commission. These rates are divided between residential and commercial telephones and are graduated upward from four-party to single-party service. Local exchange rates for a particular company are fixed on a companywide basis according to the calling scope of the particular exchange; i.e., the number of main stations and PBX trunks in an exchange which a single subscriber may telephone without toll charge. These rate groupings are not standard among the companies. Figure No. 6-4 shows rate

groupings with rates for the regulated telephone companies.

The practical result of the foregoing "value of service principle" is that a company's subscribers in an urban area will pay a higher monthly local exchange rate than the same company's subscribers in a community having a substantially smaller number of telephones that can be called without a toll charge. Thus unlike electric and natural gas utilities which have standard rates applicable to a customer classification companywide, the telephone companies have different rates for basic service depending upon the telephone population or calling scope in the particular exchange. Telephone rates also vary substantially between companies and states. Figure No. 6-5 shows a ten-year history of average North Carolina telephone bills for local service.

Toll Charges

Calls between two separate exchanges are "long distance" or toll charge calls, unless arrangements have been made for extended area (toll-free) service. IntraLATA toll rates in North Carolina are uniform throughout the state. See Figure No. 6-6 for IntraLATA rates as of January 1, 1989.

Two- and Four-Party Service

Two-party and four-party service in North Carolina was .48% and .28% of total lines, respectively, in 1987 as compared to .37% and .22% in 1988.

Service Charges

These are the charges made for installing or rearranging access lines. These charges have been increased for some companies in the past few years mostly in rate case proceedings to make them more cost-related. Charges for inside wiring, jack, and equipment work were deregulated on January 1, 1987. Figure No. 6-7 shows some typical charges by selected companies for various services relating to installing an access line.

Special Charges

Certain special equipment requires special rates and special consideration by the Commission. These rates are fixed individually on a case-by-case and company-by-company basis and vary widely because of variances in equipment and operating characteristics.

F. RATE INCREASES APPROVED

During 1987, a general rate increase was approved for one telephone company. Of the $670,000 requested, only $355,000, or 53% was granted. Details of the general rate proceedings are found in Figure No. 6-8.

G. WESTERN UNION OFFICES

The Western Union Telegraph Company (Western Union), organized in New York in 1851, is the principal subsidiary of Western Union Corporation. Western Union has developed and provides a wide range of communications and related services including network services through Telex I and Telex II, private communications, information handling systems to the government and to industry, money transfer services, and other services such as maintenance under contracts with customers who own or lease terminals and other communications related equipment.

In recent years as large businesses made growing use of their telex and TWX terminal capability for originating telegrams, and as smaller businesses and the general public increasingly availed themselves of telephone convenience for sending their telegrams, the need for independent offices and branches owned by Western Union steadily declined in the United States and in North Carolina. For example, there were 860 such offices in 1971 nationwide and 25 in North Carolina, and in 1987 they had declined to 5 and 0 respectively. Less than 10% of public message traffic is accepted over

the counter, and most of that traffic is money order business.

The number of agency or commission offices have remained fairly constant. They are most often small "mom and pop" operations by persons other than employees of Western Union. In 1971 there were 6,913 of these type operators nationwide and 249 in North Carolina.

The following illustrates the number of Western Union offices in the United States and in North Carolina for 1986 and 1987:

	United States		North Carolina	
	1986	1987	1986	1987
Independent Offices & Branches	13	5	0	0
Joint Offices	0	0	0	0
Agency or Commission Offices	10,675	10,753	366	330
Total	10,688	10,758	366	330

Due to the passage of the Record Carrier Competition Act of 1981 (P.L.97-130), the Utilities Commission no longer regulates the intrastate record services of the Western Union Telegraph Company.

H. RADIO COMMON CARRIERS

There were ten Radio Common Carriers (RCCs) certified to operate in North Carolina at the end of 1988. These RCCs provide two-way mobile telephone service and one-way radio paging service to approximately 15,000 units within the State. The services offered by RCCs generally include automatic dial as well as manual operation for mobile units and pagers. Interconnection with the landline telephone network is provided in order to permit direct communications between landline telephones and RCC mobile/paging units.

The growth of RCC two-way mobile units has been hampered by the limited number of VHF radio channels available from the Federal Communications Commission (FCC). While the demand for RCC service has been increasing in the metropolitan areas, the limited number of radio channels has restricted the number of subscribers an RCC could serve and still maintain an acceptable quality of service. It is anticipated that most future mobile telephone growth will have to be met through the use of higher frequency channels in the 450 MHz or 900 MHz bands.

There have been no general rate increases for radio common carriers since 1982.

I. CELLULAR RADIO TECHNOLOGY

Cellular radio technology has greatly enhanced and improved two-way radio service. Under the "cellular mobile radio service" technology, the number of radio base stations is expanded so that as a two-way mobile radio subscriber moves through the service area, his call is automatically and instantly "handed off" from one base station to another so that a subscriber may originate and terminate calls from any point within the service area. Two or more callers can share the facilities simultaneously. Central switching equipment automatically routes calls through interconnection with the landline telephone network so that mobile-to-land calls can be completed as well as mobile-to-mobile calls. Unlike the conventional two-way calling now offered by most of the mobile radio common carriers in their franchised areas, the "cellular mobile radio" system has a built-in capacity to expand as public demand increases with a grade of service comparable to landline telephone service.

The Federal Communications Commission allocates frequencies, grants facility construction permits, and grants licenses for facilities used in one-way and two-way mobile radio systems. The FCC has identified

numerous markets (Cellular Geographic Service Area [CGSA]) nationwide in which the public demand and need will justify cellular enhancement. Accordingly the FCC has allocated two 20 MHz groups to each market. Initially one license will be available to a wireline carrier and one license to a nonwireline carrier in each market area. There have been seventeen cellular telephone companies issued certificates since the first companies applied in 1984. The seventeen companies include twelve wholesalers/resellers, one wholesaler, and four resellers.

J. SOURCE AND DISPOSITION OF REVENUES--COMMENTS

The telephone companies derived about 30.7% of their revenues from local charges, 37.2% from toll charges, 26.7% from access charges, and 5.4% from miscellaneous services in 1987 compared to 31.1%, 37.6%, 25.3%, and 6.0% in 1986.

The components of the disposition of the revenue dollar as shown in Figure No. 6-9 indicate that for the year 1987 compared to 1986 depreciation, dividends, and retained earnings increased while all other disposition components decreased.

K. PLANT INVESTMENTS--COMMENTS

The regulated telephone companies increased gross plant investment in North Carolina 6.0% in 1983, 8.8% in 1984, 2.4% in 1985, 6.3% in 1986, and 9.1% in 1987. These increases represent investments of $220 million in 1983, $383 million in 1984, $114 million in 1985, $307 million in 1986, and $470 million in 1987, bringing the total gross plant investment at December 31, 1987, to $5,647,206.

Figure No. 6-10 shows investment per access line for 1986 and 1987 on a North Carolina industrywide basis. Figure No. 6-11 shows investment per telephone for the regulated telephone companies for the years 1960, 1965, 1970, 1975, 1980, and 1981. Figure No. 6-12 shows the investment per access line as of December 31, 1986, and 1987. The information shown on Figure No. 6-12 indicates the variances in this important cost element of providing telephone service, and these variances in plant cost contribute to the variances in telephone rates between companies.

L. STATISTICAL SUMMARY DATA

Total operating revenues of the telephone companies increased in 1987 over 1986 by a total of 1.7%. Operating expenses including taxes increased .8% and net operating income increased 6.9% for the same period. The average annual wage per telephone employee was $31,632 in 1987, a 5.3% increase over the previous year. Total salaries and wages paid by the telephone companies were nearly $527 million in 1987. The total average number of employees increased in 1987 over 1986 to 16,660 employees. A detailed account of these and other selected items is shown in Figure No. 6-13.

FIGURE NO. 6-1A

TELEPHONE COMPANIES OPERATING IN NORTH CAROLINA
NUMBER OF TOTAL TELEPHONES IN SERVICE, EXCHANGES, AND DENSITY DATA
AT YEAR END FOR 1960, 1965, 1970, 1975, 1980, & 1981

Class A & B	Number of Total Telephones in Service						Number of Exchange					Number Phones Per 100 Population		Number Phones Per Square Mile Area		% Household in Area Served Housing Phones		Average Number Employees Per Company	
	1960	1965	1970	1975	1980	1981	1965	1970	1975	1980	1981	1980	1981	1980	1981	1980	1981	1980	1981
Carolina Tel. & Tel. Co.[1, 6]	244,716	348,295	527,190	779,464	982,532	910,456	137	143	146	146	145	56	53	50	48	88	89	5,511	5,420
Central Telephone Co.[2]	74,072	101,508	142,461	191,800	241,587	232,384	39	35	43	43	43	54	52	77	74	89	87	1,132	1,107
Citizens Telephone Co.	3,462	5,919	8,704	12,133	15,968	16,530	3	3	4	4	4	71	73	42	44	94	95	72	85
Concord Telephone Co.	34,982	44,308	56,385	72,353	93,740	97,382	9	9	9	9	9	67	68	133	138	96	96	334	336
Continental Tel. of N.C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ellerbe Telephone Co.	574	743	1,084	1,535	2,003	2,088	1	1	1	1	1	48	50	8	8	85	85	8	8
General Tel. Co. of the Southeast[3]	43,943	65,363	97,469	124,839	162,054	167,473	5	5	5	5	5	66	64	203	199	91	91	1,720	1,734
Heins Telephone Co.	8,284	11,267	15,825	22,139	30,087	31,263	3	3	3	3	3	66	65	64	67	95	96	165	162
Lexington Telephone Co.	9,049	12,006	17,082	22,248	28,825	29,873	3	3	3	3	3	58	61	139	144	90	N/A	173	173
Mebane-Home Telephone Co.	1,903	2,571	3,665	5,502	6,877	7,060	1	1	1	1	1	40	40	46	46	75	75	22	22
Mid-Carolina Telephone Co.[4]	21,830	33,016	51,810	77,742	108,747	113,738	24	26	26	26	26	36	38	49	52	89	90	311	313
North State Telephone Co.	37,221	48,237	64,662	86,473	113,740	114,752	3	3	3	3	3	52	74	193	200	87	92	476	476
Pineville Telephone Co.[5]	—	—	—	—	2,177	2,185	—	—	—	1	1	109	108	2,177	22	98	98	14	12
Randolph Telephone Co.	1,026	1,388	2,104	2,847	3,773	3,795	1	1	1	1	1	53	53	46	46	89	95	15	14
Sandhill Telephone Co.	1,341	1,743	2,526	3,624	5,225	5,381	2	2	2	2	2	73	74	100	103	95	97	12	12
Southern Bell Tel. & Tel. Co.[6]	670,413	886,620	1,253,681	1,763,783	2,246,942	2,285,163	92	93	94	95	95	83	80	186	189	97	97	11,254	11,408
Westco Telephone Co.	—	8,709	16,881	24,845	34,019	34,399	13	15	15	15	15	36	36	16	17	76	76	—	—
Western Carolina Tel. Co.[7]	16,216	15,489	27,496	42,181	57,578	57,771	13	12	12	11	11	35	35	32	32	80	82	449	449
Totals: Class A & B	1,169,042	1,567,192	2,299,005	3,233,099	4,135,884	4,111,702	349	355	368	369	368	67*	66*	93*	93*	88**	89**	21,668	21,703
Barnardsville Telephone Co.	186	293	354	613	876	911	1	1	1	1	1	44	46	7	7	85	85	3	3
Continental Tel. Co. of Virginia	42	48	184	338	452	465	1	1	1	1	1	35	35	30	31	60	61	N/A	N/A
Saluda Mountain Tel. Co.	290	373	520	833	1,320	1,365	1	1	1	1	1	88	88	19	19	85	85	3	5
Service Telephone Co.	367	488	600	915	1,481	1,494	1	1	1	1	1	58	60	42	43	80	80	4	4
Totals: Class C & D	885	1,182	1,658	2,700	4,109	4,235	4	4	4	4	4	53*	54*	17*	17*	78**	77**	10	12
Grand Totals	1,169,927	1,568,374	2,290,663	3,235,799	4,139,993	4,115,937	353	359	372	373	372	67*	66*	93*	93*	88**	83**	21,678	21,715
United States Totals[8]	77,813,000	93,658,000	120,783,300	148,823,000	180,180,00	181,561,000													
Special Service & Private Lines:	22,903	27,216	28,752	41,555	38,753	43,892													

[1]United Telephone Company of the Carolinas, Inc., merged with Carolina Telephone and Telegraph Company November 1, 1976. All figures for United for the period 1960-1978 are included in Carolina.

[2]Morris Telephone Company merged with Central Telephone Company November 4, 1965. All figures for Morris for 1965 and prior years are included in Central. Lee Telephone Company merged with Central March 6, 1973. All figures for Lee for 1973 and prior years are included in Central.

[3]General Telephone of North Carolina merged with General Telephone of the Southeast December 21, 1970. All figures for 1970 and prior years for General Telephone of North Carolina are included in General Telephone of the Southeast.

[4]Lilesville Telephone Company merged with North Carolina Telephone Company December 31, 1968. Eastern Rowan, Mid-Carolina, Mooresville, and Thermal Belt Telephone companies merged into Mid-Carolina Telephone Company December 10, 1973. All figures for merged companies are included in Mid-Carolina Telephone Company. North Carolina Telephone Company, and Old Town Telephone System, Inc., were merged into Mid-Carolina Telephone Company September 30, 1977. All figures for merged companies for 1977 and prior years are included in Mid-Carolina.

[5]Chapel Hill Telephone Company came under Commission jurisdiction on January 1, 1973, and was sold to Southern Bell Telephone and Telegraph Company, April 1, 1977. All figures for 1976 and prior years are included in Southern Bell.

[6]Pineville Telephone Company came under Commission jurisdiction January 1, 1976. (Docket No. P-120, Sub 1).

[7]Cooleemee Telephone Company merged with Western Carolina Telephone Company January 11, 1967, and was sold to Yadkin Valley Telephone Membership Corporation on May 16, 1979. All figures for Cooleemee for years prior to 1967 are included in Western Carolina.

[8]Norfolk & Carolina Tel & Tel. Co. merged into Carolina Tel. & Tel. Co. December 27, 1979. All figures for Norfolk & Carolina prior to 1980 are included in Carolina Tel. & Tel. Co.

[9]Reference: Independent Telephone Statistics, U.S. Independent Telephone Association.

*Weighted Average
**Simple Average

FIGURE NO. 6-2

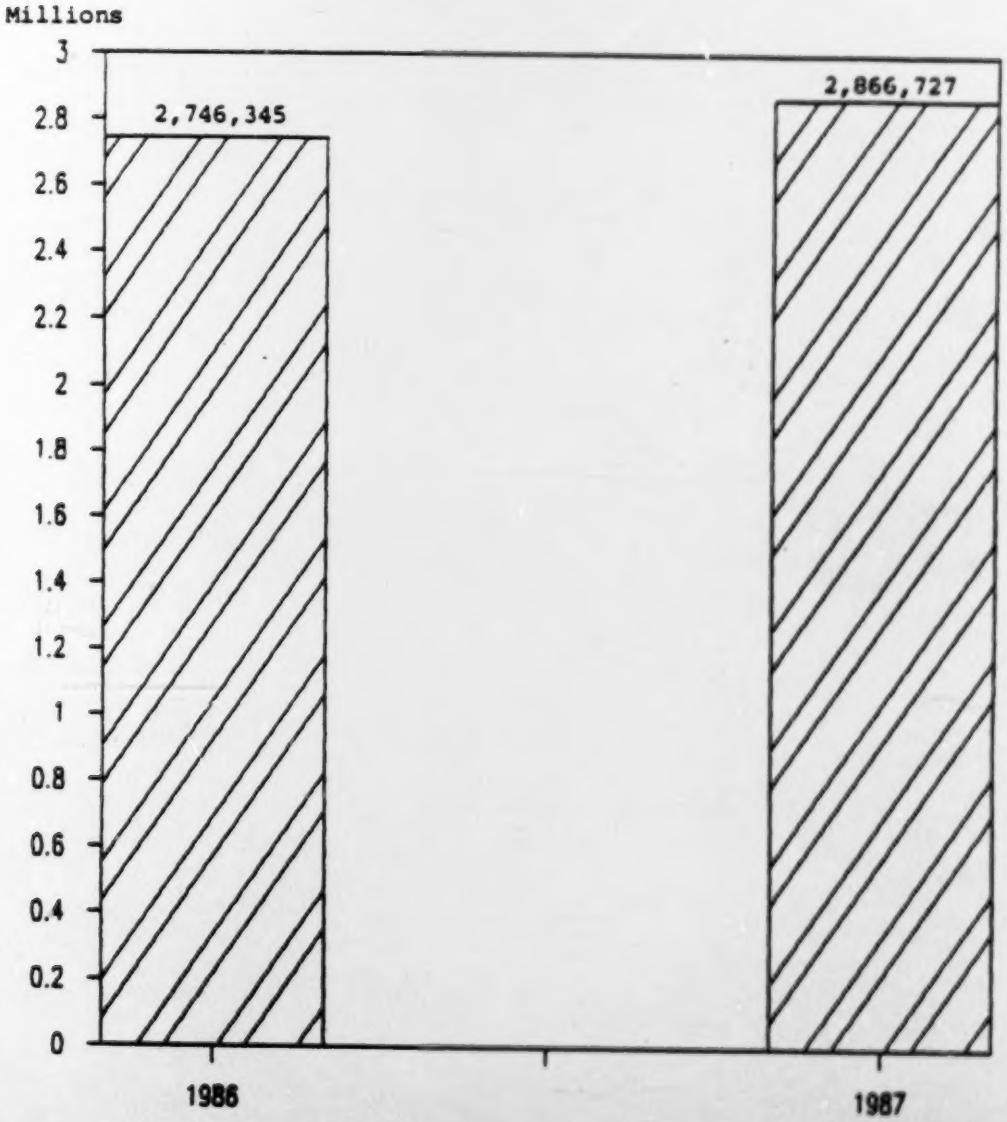
TELEPHONE COMPANIES OPERATING IN NORTH CAROLINA
NUMBER OF TOTAL ACCESS LINES, EXCHANGES, AND DENSITY DATA
AT YEAR END FOR 1986 AND 1987

Telephone companies	Number of Access Lines		% Change	Number of Exchanges		No. Access Lines Per 100 Population		No. Access Lines Per Square Mile Area		% Households in Area Served Having Phones		Average Number of Employees Per Company	
Class A & B	1986	1987	1987-1986	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987
ALLTEL Carolina Tel. Co.	81,496	84,807	4.1	26	26	N/A	28	N/A	46	N/A	N/A	N/A	326
Carolina Telephone Co.	687,854	712,869	3.6	145	145	38	39	36	37	90	90	4,007	3,906
Central Telephone Co.	174,713	182,141	4.3	43	43	33	34	56	58	76	85	763	745
Citizens Telephone Co.	11,985	12,487	4.2	1	1	32	43	21	33	95	95	87	94
Concord Telephone Co.	67,994	70,216	3.3	9	9	46	45	101	100	97	97	319	310
Continental Tel. Co. of North Carolina	78,041	80,380	3.0	26	26	36	N/A	19	N/A	85	N/A	367	N/A
Ellerbe Telephone Co.	1,509	1,574	4.3	1	1	39	36	7	6	88	88	12	11
GTE South, Inc.	113,012	119,760	6.0	5	5	69	55	175	151	93	90	2,274	2,412
Heins Telephone Co.	21,381	22,268	4.1	3	3	N/A	36	N/A	49	N/A	92	N/A	119
Lexington Telephone Co.	21,732	22,496	3.5	3	3	35	45	82	108	N/A	90	143	142
Nebane Home Telephone Co.	5,427	5,603	3.2	1	1	54	51	37	37	95	95	22	27
North State Telephone Co.	78,287	81,278	3.8	3	3	49	49	141	141	92	92	442	433
Pineville Telephone Co.	1,130	1,222	8.1	1	1	60	41	N/A	1,222	97	97	15	12
Randolph Telephone Co.	2,814	2,952	4.9	1	1	33	39	29	36	91	91	13	13
Sandhill Telephone Co.	3,461	3,611	4.3	2	2	N/A	27	N/A	42	N/A	N/A	N/A	8
Southern Bell Tel. & Tel. Co.	1,392,189	1,459,694	4.8	93	93	46	46	119	121	90	90	7,360	7,310
Totals: Class A & B	2,743,025	2,863,358	4.4	363	363	47*	44*	71*	72*	91	92	15,824	15,868
Class C & D													
Barnardsville Telephone Co.	835	823	(1.4)	1	1	28	29	8	8	85	85	3	4
Continental Tel. Co. of Virginia	433	425	(1.8)	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Saluda Mountain Tel. Co.	1,127	1,175	4.3	1	1	49	49	18	18	90	90	5	5
Service Telephone Co.	925	946	2.3	1	1	37	38	23	24	83	83	4	4
Totals: Class C & D	3,320	3,369	1.5	4	4	44*	33*	17*	13*	86	86	12	13
Grand Totals	2,746,345	2,866,727	4.4	367	367	47*	43*	71*	69*	88	89	15,836	15,881
United States Totals**	24,164,000	24,655,000	2.0										
North Carolina as % of United States Total	11.4%	11.6%											

* Weighted Average; All other averages are Simple Averages.
** United States totals from USTA Telephone Statistics Volume 1, 1988 Edition. Information from 626 independent Class A telephone companies in 1986 and 604 companies in 1987.

FIGURE NO. 6-3

ACCESS LINES IN SERVICE AS OF DECEMBER 31, 1986, and 1987
(N.C. DATA ONLY)



Access Line - A telephone company facility which allows access to and/or from the exchange network. Access line includes the following categories for service: individual line, two- and four-party service, key trunk, rotary line, PBX trunk, centrex trunk, 800 service and outwats (interstate and intrastate), L.D. trunk (toll terminal), foreign exchange, semipublic, public, mobile telephone, and service station (farmer line). The total number of access lines in service at December 31, 1986, was 2,746,345 compared to 2,866,727 access lines at December 31, 1987.

FIGURE 6-4

TELEPHONE RATES
MONTHLY FLAT RATES BY CALLING SCOPE GROUPINGS FOR ONE-PARTY BUSINESS AND RESIDENTIAL SERVICE
AS OF JANUARY 1, 1989

CALLING SCOPE AND RELATED MONTHLY FLAT RATES (a)

	1-1,000		1,001-1,400		1,401-2,000		2,001-2,800		2,801-4,000		4,001-5,600		5,601-8,000		8,001-11,200	
Class A & B:	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.
Alltel Carolina Telephone Company									$33.17	$13.21	$35.01	$13.94	$35.43	$14.11	$36.16	$14.40
Carolina Telephone Company	$14.29	$5.04	$14.83	$6.11	$15.41	$6.33	$16.00	$6.60	$16.70	$6.86	$17.14	$7.04	$17.72	$7.31	$18.29	$7.53
Central Telephone Company	$18.86	$7.16	$19.33	$7.35	$19.79	$7.53	$20.24	$7.71	$20.71	$7.90	$21.16	$8.07	$21.63	$8.27	$22.08	$8.45
Continental Tel. Co. of North Carolina (b)									$40.90	$16.04			$41.89	$16.37		
Southern Bell Telephone Company													$26.81	$9.94		
Class C & D:																
Service Telephone Company			$16.64	$6.64												

	11,201-16,000		16,001-22,400		22,401-32,000		32,001-44,000		44,001-64,000		64,001-89,600		89,601-up	
Class A & B:	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.
Alltel Carolina Telephone Company					$37.86	$14.76							$37.98	$15.12 (c)
Carolina Telephone Company	$18.88	$7.75	$19.46	$8.03	$20.04	$8.25	$20.61	$8.51	$21.19	$8.73	$21.77	$9.00	$22.44	$9.27
Central Telephone Company	$22.55	$8.63	$23.00	$8.82	$23.47	$9.00	$23.92	$9.19	$24.38	$9.37	$24.84	$9.55	$25.30	$9.74
Citizens Telephone Company	$24.46	$9.56												
Concord Telephone Company (d)			$18.14	$6.77	$18.73	$7.00	$19.35	$7.34	$21.60	$7.92	$23.75	$8.55		
Continental Tel. Co. of N.C.	$42.88	$16.79			$43.88	$17.21	$45.51	$17.83						
Ellerbe Telephone Company	$19.79	$10.87												
GTE South, Inc.									$29.62	$11.84			$31.65	$12.65 (e)
													33.72	13.48 (f)
Heins Telephone Company					$15.99	$6.33								
Lexington Telephone Company					$17.81	$7.04								
Mebane Home Telephone Company									$22.23	$8.78				
North State Telephone Company (g)			$5.81	$2.56							$8.58	$3.72		
Pineville Telephone Company													$9.25	$4.20
Randolph Telephone Company													$20.72	$8.05
Sandhill Telephone Company (h)	$8.57	$4.51	$11.56	$5.33										
Southern Bell Telephone Company	$27.50	$10.20	$28.22	$10.47	$28.84	$10.72	$29.50	$11.03	$30.42	$11.34	$31.15	$11.66	$31.91	$11.92 (i)
													$32.83	$12.19 (j)
													$33.89	$12.51 (k)
Class C & D:														
Barnardsville Telephone Company											$24.26	$18.26		
Continental Tel. Co. of Virginia													$22.34	$12.38
Saluda Mountain Telephone Company							$8.21	$5.39						

(a) "Calling Scope" is the number of main station telephone and PBX trunks that can be called without paying a toll charge. The above rates are applicable to customers being served from exchanges having a total number of main stations and PBX trunks within the ranges indicated.
(b) The rate groupings for Continental Tel. Co. of N.C. are 0-4,000, 4,001-8,000, 8,001-16,000, 16,001-32,000, and 32,001-up.
(c) This rate is for the group 30,000-150,000.
(d) The rate groupings for Concord Tel. Co. are Less than 25,000, 25,001-35,000, 35,001-45,000, 45,001-55,000 and 55,001-up.
(e) This rate is for the Durham Exchange Area.
(f) This rate is for the Creedmor Exchange Area.
(g) The first rate grouping for North State Tel. Co. is for the Randleman Exchange Area 0-2,300.
The second rate grouping for North State Tel. Co. is for the High Point/Thomasville Exchange Area 0-66,000.
(h) Sandhill Tel. Co. rates are grouped 0-20,000 and 20,001-up.
(i) This rate is for the group 80,000-110,000.
(j) This rate for Southern Bell is for the group 110,001-150,000.
(k) This rate for Southern Bell is for the group 150,001-up.

FIGURE NO. 6-5

NORTH CAROLINA TELEPHONE RATES VS. U.S. AVERAGE MONTHLY TELEPHONE RATES

At December 31	North Carolina Average Monthly Telephone Bills For All Customers Local Telephone Service(a)	U.S. Average Monthly Telephone Bills For All Customers Local Telephone Service (b)
1977	$17.19	$18.29
1978	$17.89	$19.22
1979	$18.01	$20.09
1980	$19.78	$21.58
1981 (c)	$22.41	$24.70
1977-1981 % Change	30.4	35.0
1982	$24.40	$26.79
1983	$25.48	$27.40
1984	$22.37 (d)	$23.22
1985	$22.25	$23.81
1986 (e)	$22.30	$22.34
1987	$21.94	$23.45
1982-1987 % Change	(10.1)	(12.5)
1986-1987 % Change	(1.6)	5.0

(a) Average local service revenue per access line.
(b) This number was calculated with information obtained from Moody's Public Utility Manual and the United States Telephone Association Telephone Statistics Book for 1986 and previous years. The United States Telephone Association Telephone Statistics Book (1988) was used to calculate the 1987 number.
(c) For the years 1977-1979, the total number of residential and business main lines for the 13 largest telephone companies were used to calculate the average monthly local telephone bills for local service. For 1980-1981, 12 of the largest telephone companies were used to calculate this figure.
(d) As a result of the divestiture, the lease revenue from nonregulated terminal equipment was not included in local service revenues for 1984-1987.
(e) For the years 1982-1983, the total number of residential and business access lines of the 11 largest telephone companies were used to calculate the average monthly local telephone bills for local service. For 1984-1987, 12 of the largest telephone companies were used.

FIGURE NO. 6-6

NORTH CAROLINA INTRASTATE/INTRALATA TELEPHONE TOLL RATES
IN EFFECT JANUARY 1, 1989

RATE MILEAGE	DAY	
	INITIAL 1 MINUTE	EACH ADDITIONAL MINUTE
0-10	$ .16	$ .10
11-16	.20	.14
17-22	.23	.16
23-30	.27	.19
31-40	.37	.23
41-55	.45	.28
56-70	.45	.28
71-124	.47	.33
125-196	.51	.35
197-292	.51	.35

Additional Charges

The following charges are in addition to the Basic Rate Table above when the call is placed using the following operator services:

	Charge Per Call
a. STATION	
(a) Customer Dialed Credit Card	$ .50
(b) All other	1.25
b. PERSON	
(a) All calls	$2.50

Rate Discounts and Application Periods

	MON	TUES	WED	THURS	FRI	SAT	SUN
8:00 AM to 12:00 Noon	Day Rate Period — FULL RATE						
12:00 Noon to 1:00 PM	Daytime Savings Rate Period — 25% Discount						
1:00 PM to 5:00 PM	Day Rate Period — FULL RATE						
5:00 PM to 11:00 PM	Evening Rate Period — 25% Discount						Eve. 25%
11:00 PM to 8:00 AM	Night & Weekend Rate Period — 50% Discount						

DISCOUNTS
Discounts apply equally to total charges for all messages with total fractional amounts rounded down to the lower cent. Discounts do not apply to add on charges for Customer Dialed Credit Card, Other Operator Station or Person Charges

FIGURE NO. 6-7

CHARGES FOR VARIOUS TELEPHONE INSTALLATION SERVICES
IN EFFECT JANUARY 1, 1989

	Carolina		Citizens		Southern Bell	
	Residence	Business	Residence	Business	Residence	Business
Service Order	$18.26	$22.97	$15.93	24.38	$27.50	$41.25
Premises Visit	5.92	9.23	7.58	7.58	10.25	10.25
Central Office Work	5.10	5.34	7.28	7.96	15.25	21.25
Totals (1)	$29.28	$37.54	$30.79	$39.92	$53.00	$72.75

	Heins		Ellerbe		Cont. Tel. of N.C.	
	Residence	Business	Residence	Business	Residence	Business
Service Order	$21.00	$25.00	$11.66	$13.60	$22.33	$22.33
Premises Visit	10.00	11.00	4.86	5.83	6.80	6.80
Central Office Work	7.00	8.00	2.91	2.91	21.36	21.36
Totals (1)	$38.00	$44.00	$19.43	$22.34	$50.49	$50.49

(1) These are typical charges made for the installation of one main station at a new location.

FIGURE NO. 6-8

GENERAL RATE INCREASES APPROVED FOR TELEPHONE COMPANIES
FOR THE YEAR ENDED DECEMBER 31, 1987

Company	Date Filed	Docket Number	Amount Requested (000s)	Amount Approved (000s)	% Approved of Amount Requested	Date Of Final Order
Heins Telephone Company	7-14-86	P-26, Sub 93	$670 (1)	$355	53.0%	2-17-87
Total			$670	$355	53.0%	

(1) This represents the final amount requested. The initial request was $712.

FIGURE NO. 6-9

SOURCE AND DISPOSITION OF THE REVENUE DOLLAR
TELEPHONE COMPANIES
NORTH CAROLINA OPERATIONS ONLY
1987

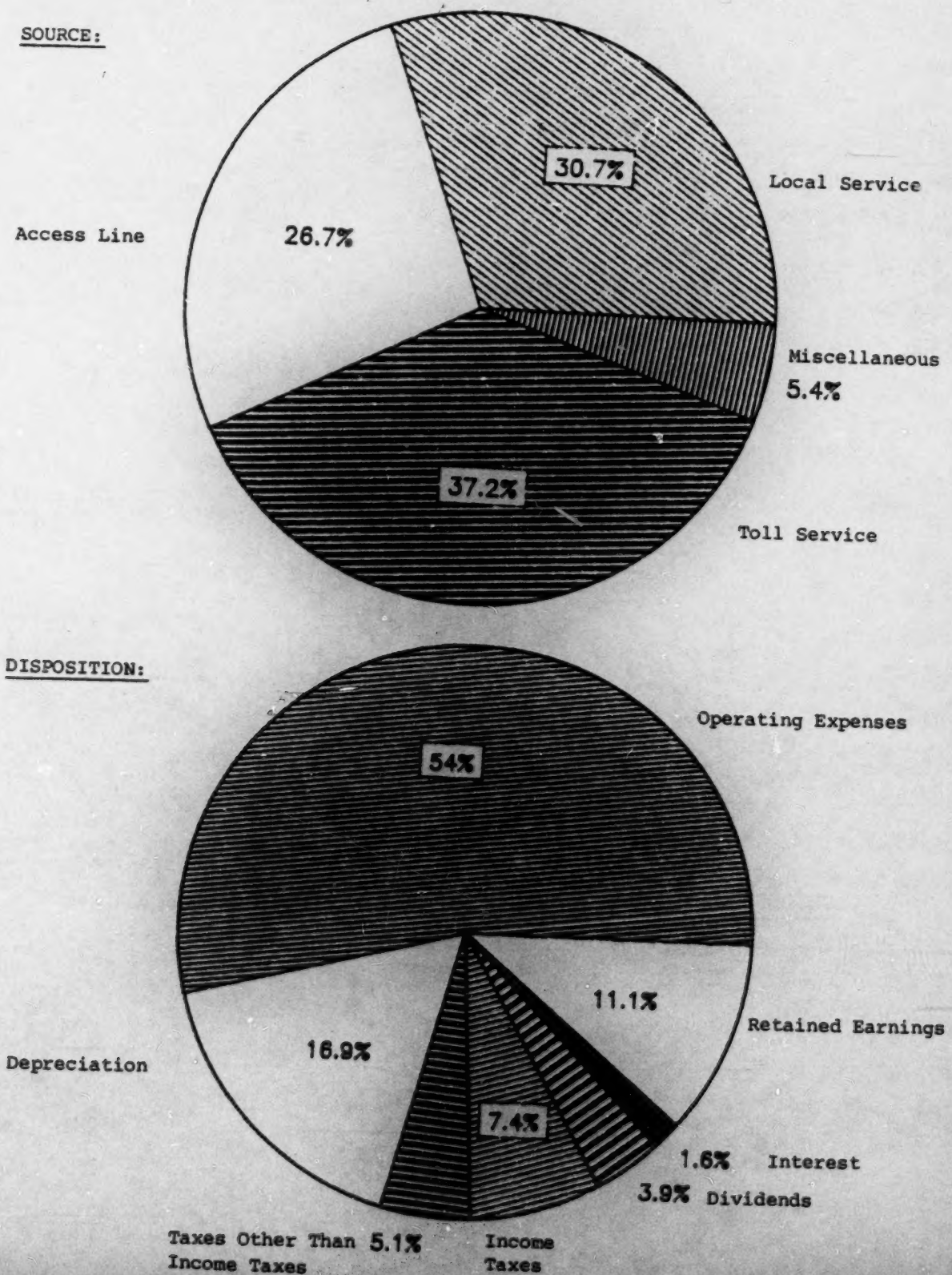


FIGURE NO. 6-10

TELEPHONE COMPANIES' PLANT INVESTMENT PER
ACCESS LINE WITH PERCENT INCREASE 1987 OVER 1986
(N.C. DATA ONLY)

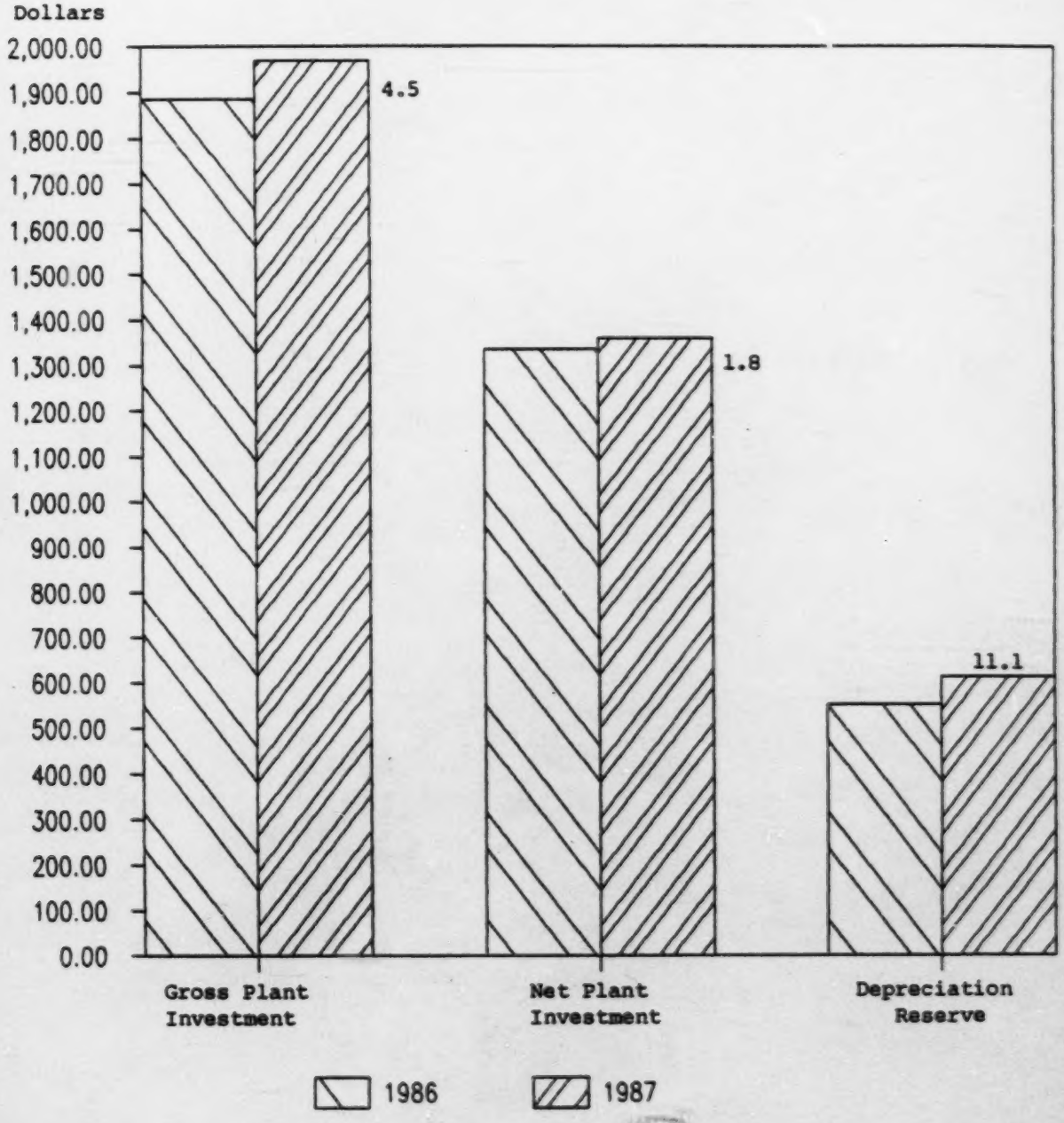


FIGURE NO. 8-11

GROSS AND NET TELEPHONE PLANT ALLOCATED TO NORTH CAROLINA OPERATIONS
For the Years Ended December 31, 1960, 1965, 1970, 1975, 1980, and 1981

Class A & B	1960 Per Phone Gross	1960 Per Phone Net	1965 Per Phone Gross	1965 Per Phone Net	1970 Per Phone Gross	1970 Per Phone Net	1975 Per Phone Gross	1975 Per Phone Net	1980 Per Phone Gross	1980 Per Phone Net	1981 Per Phone Gross	1981 Per Phone Net	1980 ($000s) Total Plant Gross	1980 ($000s) Total Plant Net	1981 ($000s) Total Plant Gross	1981 ($000s) Total Plant Net	1981 vs 1980 % Change Per Phone Gross	1981 vs 1980 % Change Per Phone Net
Carolina Tel. & Tel. Co.[1]	$ 513.52	$ 396.01	$ 556.81	$ 413.31	$ 680.30	$ 525.46	$ 820.89	$ 625.35	$ 971.34	$ 787.28	$ 1,080.72	$ 771.80	$ 924,468	$ 673,143	$ 983,249	$ 782,507	6.4	4.4
Central Telephone Co.[2]	316.53	260.39	390.58	327.98	522.09	435.31	762.60	637.96	887.27	715.66	957.67	739.27	214,335	172,879	222,548	171,783	7.9	6
Citizens Telephone Co.	329.67	266.91	571.56	504.86	776.13	635.82	892.07	655.20	1,085.12	743.15	1,164.10	809.22	17,327	11,866	19,243	13,376	11.1	12.7
Concord Telephone Co.	257.23	202.84	334.96	256.36	423.13	308.78	545.97	395.38	616.70	409.80	614.99	395.78	57,810	38,415	58,889	38,541	3.6	3
Ellerbe Telephone Co.	255.54	172.57	298.47	175.20	882.04	558.44	734.83	536.56	1,025.22	749.35	933.09	679.44	2,053	1,501	2,074	1,419	1.0	(5.5)
General Tel. Co. of the Southeast[3]	267.08	203.13	373.86	291.40	739.30	624.61	852.47	691.42	1,018.63	797.88	1,058.80	808.98	164,926	129,184	177,320	135,482	7.5	4.9
Heins Telephone Co.	288.50	234.78	493.96	423.84	481.92	372.04	732.37	571.79	787.01	545.17	813.35	549.54	23,679	16,483	25,428	17,180	7.4	4.7
Lexington Telephone Co.	296.82	219.02	364.05	256.03	533.50	406.36	629.94	485.22	722.19	587.36	735.99	504.67	20,817	14,625	21,987	15,058	5.6	3.8
Mebane Home Telephone Co.	312.66	249.08	512.68	404.24	693.07	510.94	840.11	601.54	980.33	657.50	931.09	583.95	6,742	4,522	6,483	4,084	(5.0)	(9.7)
Mid-Carolina Telephone Co.[4]	408.29	336.02	498.84	387.07	620.06	495.66	680.98	515.00	793.61	602.88	822.70	642.94	86,303	65,561	93,590	73,138	8.4	11.6
North State Telephone Co.	246.17	174.57	320.64	224.04	394.86	272.55	470.66	317.94	567.03	390.08	594.47	394.40	62,906	40,946	68,217	44,110	8.4	7.7
Pineville Telephone Co.[5]	—	—	—	—	—	—	—	—	715.93	532.33	795.29	579.89	1,558	1,158	1,738	1,265	11.6	9.1
Randolph Telephone Co.	381.87	339.66	394.71	598.75	824.89	654.17	796.77	562.67	889.53	576.66	898.31	567.88	3,281	2,176	3,379	2,155	3.0	(1.0)
Sandhill Telephone Co.	307.32	227.47	415.62	323.25	586.88	400.88	622.20	367.70	782.82	424.65	982.36	688.20	3,672	2,219	5,178	3,600	41.0	62.0
Southern Bell Tel. & Tel. Co.[6]	364.67	294.08	419.57	330.63	507.07	396.48	688.37	427.29	879.25	726.89	923.75	763.52	1,972,750	1,630,868	2,111,017	1,744,761	7.0	7.0
Westco Telephone Co.[7]	N/A	N/A	688.80	586.70	828.30	731.61	991.65	843.52	1,220.66	951.30	1,262.60	968.30	41,526	32,382	43,432	33,308	4.6	2.9
Western Carolina Tel. Co.[8]	451.24	360.17	542.67	411.53	831.08	726.96	1,047.94	926.71	1,212.89	986.66	1,301.59	1,110.84	88,824	55,658	75,194	64,174	7.7	15.3
Totals Class A & B	$ 375.91	$ 298.32	$ 442.36	$ 343.77	$ 561.60	$ 441.48	$ 722.32	$ 576.20	$ 886.34	$ 705.92	$ 953.56	$ 745.70	$ 3,673,986	$ 2,893,487	$ 3,920,586	$ 3,085,951	6.7	6.0
Class C & D																		
Barnardsville Telephone Co.	$ 236.55	$ 191.39	$ 197.81	$ 139.67	$ 266.02	$ 167.45	$ 322.13	$ 226.67	$ 1,016.36	$ 925.34	$ 1,008.27	$ 886.24	$ 860	$ 811	$ 916	$ 816	2.9	5
Continental Tel. Co. of Virginia	328.02	200.29	1,353.02	1,157.81	870.64	724.34	946.89	764.08	1,871.37	881.60	1,098.63	871.77	484	308	519	405	5.4	1.8
Saluda Mountain Tel. Co.	N/A	N/A	79.42	29.31	284.57	199.14	401.86	302.68	413.17	274.38	437.84	278.61	546	382	597	380	9.3	5.0
Service Telephone Co.	342.67	302.13	317.18	231.85	417.71	301.35	955.67	811.33	724.21	536.56	709.93	525.23	1,068	764	1,080	785	2	1
Totals Class C & D	$ 217.72	$ 183.74	$ 265.67	$ 190.43	$ 393.83	$ 287.65	$ 639.90	$ 515.73	$ 724.76	$ 573.18	$ 728.59	$ 563.80	$ 2,978	$ 2,355	$ 3,083	$ 2,386	3.6	1.3
Grand Totals	$ 375.77	$ 298.22	$ 442.23	$ 343.65	$ 561.47	$ 441.36	$ 722.25	$ 576.15	$ 886.17	$ 705.79	$ 953.33	$ 745.51	$ 3,676,964	$ 2,895,842	$ 3,923,669	$ 3,088,337	6.7	6.0

[1] United Telephone Company of the Carolinas, Inc., merged with Carolina Telephone and Telegraph Company November 1, 1978. All figures for United Telephone Company of the Carolinas, Inc., for the period 1960-1978 are included in Carolina Telephone and Telegraph Company.

[2] Morris Telephone Company merged with Central Telephone Company November 4, 1965. All figures for Morris for 1975 and prior years are included in Central. Lee Telephone Company merged with Central March 6, 1973. All figures for Lee for 1973 and prior years are included in Central.

[3] General Telephone of North Carolina merged with General Telephone of the Southeast December 21, 1970. All figures for 1970 and prior years for General Telephone of North Carolina are included in General Telephone of the Southeast.

[4] Lidesville Telephone Company merged with North Carolina Telephone Company December 31, 1968, and Denton Telephone Company merged with North Carolina Telephone Company in 1970. Eastern Rowan, Mid-Carolina, Mooresville, and Thermal-Belt Telephone companies merged into Mid-Carolina Telephone Company December 10, 1973. All figures for merged companies are included in Mid-Carolina Telephone Company for years prior to 1974. Mid-Carolina Telephone Company, North Carolina Telephone Company, and Old Town Telephone System, Inc., were merged into Mid-Carolina Telephone Company September 30, 1977. All figures for merged companies for 1977 and prior years are included in Mid-Carolina Telephone Company.

[5] Pineville Telephone Company came under Commission jurisdiction January 1, 1976.

[6] Chapel Hill Telephone Company came under Commission jurisdiction January 1, 1973, and was sold to Southern Bell Telephone and Telegraph Company April 1, 1977. All figures for Chapel Hill Telephone Company for 1976 and prior years are included in Southern Bell.

[7] Cooleemee Telephone Company merged with Western Carolina Telephone Company January 11, 1967, and was sold to Yadkin Valley Telephone Membership Corporation May 16, 1978. All figures for Cooleemee for years prior to 1967 are included in Western Carolina.

[8] Norfolk & Carolina Tel. & Tel. Co. merged into Carolina Tel. & Tel. Co. December 27, 1979. All figures for Norfolk & Carolina prior to 1980 are included in Carolina Tel. & Tel. Co.

[9] Westco Telephone Co. and Western Carolina Tel. Co. were merged into Continental Telephone of North Carolina in November 1962.

N/A — Not Available

NOTE: Per phone data for all years shown is based on number of regular telephones (excluding service and private) in service at end of year.

FIGURE NO. 6-12

GROSS AND NET TELEPHONE PLANT ALLOCATED TO NORTH CAROLINA OPERATIONS*
For the Years Ended December 31, 1986 and 1987
(Dollars in Thousands)

COMPANY	1986 Total Plant		1987 Total Plant		1986 Per Access Line		1987 Per Access Line		1987 vs 1986 % Change per Access Line	
Class A & B	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
ALLTEL Carolina Tel. Co.	$138,185	$103,367	$140,883	$100,168	$1,695.60	$1,268.37	$1,755.55	$1,275.46	3.5	0.6
AT&T Communications, Inc.	313,512	207,356	321,204	217,670	N/APL.	N/APL.	N/APL.	N/APL.	N/APL.	N/APL.
Carolina Telephone Co.	1,138,460	727,213	1,193,299	758,286	1,655.09	1,057.22	1,673.94	1,063.71	1.1	0.6
Central Telephone Co.	250,784	179,363	264,377	182,970	1,435.41	1,026.62	1,451.50	1,004.55	1.1	(2.1)
Citizens Telephone Co.	29,666	20,549	31,107	21,981	2,391.82	1,714.56	2,491.15	1,760.31	4.2	2.7
Concord Telephone Co.	75,213	43,496	80,007	46,156	1,106.17	639.70	1,139.44	657.34	3.0	2.8
Continental Tel. Co. of North Carolina	174,540	134,232	185,304	141,520	2,236.52	1,720.02	2,305.35	1,760.64	3.1	2.4
Ellerbe Telephone Co.	2,661	1,869	2,698	1,842	1,763.42	1,238.57	1,714.10	1,170.27	(2.8)	(5.5)
GTE South, Inc.	278,383	206,790	301,834	224,662	2,462.60	1,829.81	2,520.32	1,875.94	2.3	2.5
Heins Telephone Co.	33,735	19,498	33,559	20,021	1,577.00	911.93	1,567.05	899.09	(4.5)	(1.4)
Lexington Telephone Co.	27,665	18,891	30,451	20,734	1,273.01	869.27	1,353.62	921.67	6.3	6.0
Mebane Home Telephone Co.	7,821	3,990	8,482	4,268	1,441.13	735.21	1,513.03	761.73	5.0	3.6
North State Telephone Co.	91,720	69,914	96,298	52,340	1,171.59	637.58	1,184.00	643.96	1.1	1.0
Pineville Telephone Co.	2,157	1,366	2,043	1,219	1,900.05	1,200.05	1,671.05	997.55	(12.4)	(17.5)
Randolph Telephone Co.	4,776	3,884	5,048	3,670	1,697.23	1,380.24	1,710.03	1,245.93	0.8	(9.7)
Sandhill Telephone Co.	6,123	4,240	5,750	4,126	1,769.14	1,225.00	1,592.36	1,142.62	(10.0)	(6.7)
Southern Bell Tel. & Tel.	2,598,668	1,937,652	2,932,133	2,003,200	1,866.46	1,391.00	2,008.73	1,427.15	7.6	2.5
Total: Class A & B	$5,172,789	$3,663,670	$5,642,477	$3,892,841	$1,805.00	$1,335.63	$1,970.50	$1,359.54	4.5	1.0
Class C & D										
Barnardsville Telephone Co.	$1,275	$910	$1,510	$1,004	$1,526.95	$1,009.02	1,844.47	1,317.13	20.0	20.9
Continental Tel. Co. of Virginia	823	587	822	575	1,900.69	1,355.66	1,934.12	1,352.94	1.0	(0.2)
Saluda Mountain Tel. Co.	910	450	909	462	807.45	399.29	841.70	393.19	4.2	(1.5)
Service Telephone Co.	1,369	770	1,400	741	1,400.00	832.43	1,479.92	783.30	(.0)	(5.9)
Total: Class C & D	$4,377	$2,717	$4,729	$2,862	$1,310.37	$810.37	$1,403.60	$849.51	6.5	3.0
Grand Totals	$5,177,166	$3,666,387	$5,647,206	$3,895,703	$1,805.11	$1,335.01	$1,969.91	$1,358.94	4.5	1.0

*Gross plant includes plant under construction and held for future telephone use.

FIGURE NO. 6-13 A

TELEPHONE COMPANIES
SUMMARY OF SELECTED DATA--INCOME STATEMENT, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1965, 1970, 1975, 1980, 1984, 1985, 1986, 1987
(N.C. Data Only Unless Otherwise Noted) (Dollars in 000s)

ITEM	1965	1970	1975	1980	1984	1985	1986	1987	% Change 1987-1986
Number of Companies Included in this Data	32	29	25	22	21	21	21	21	
INCOME STATEMENT:									
Revenues:									
Local Service Revenues	$103,540	$168,708	$314,135	$508,105	$665,970	$717,080	$751,785	$753,327	0.2
Access Revenues	0	0	0	0	440,387	553,559	610,419	654,766	7.3
Toll Service Revenues	86,630	163,506	326,870	648,251	854,686	913,081	907,922	914,912	0.8
Misc. Revenues less Uncollectibles (a)	7,613	11,046	18,412	42,303	123,004	153,009	143,922	132,862	(7.7)
Total Operating Revenues	$197,783	$343,260	$659,417	$1,198,659	$2,084,047	$2,336,649	$2,414,048	$2,455,867	1.7
Expenses:									
Maintenance	$31,723	$50,870	$125,222	$255,556	$339,791	$373,299	$374,970	$380,624	1.5
Depreciation	32,057	55,098	107,434	203,804	295,835	371,624	388,811	414,095	6.7
Traffic	21,268	35,179	53,066	62,355	74,306	106,823	89,792	83,028	(7.5)
Commercial			40,847	88,775	150,843	174,489	189,027	195,871	3.6
General Office Salaries & Expenses			25,746	56,269	103,263	129,604	157,784	172,101	9.1
Other Expenses	37,299	65,239	44,109	90,941	484,097	538,291	506,898	493,966	(2.6)
Total Operating Expenses Before Taxes	$122,347	$215,194	$396,424	$756,900	$1,446,535	$1,694,120	$1,699,290	$1,739,685	2.4
State Taxes:									
State Unemployment					$932	$516	$753	$140	(81.4)
State Income	$3,377	$4,451	$8,860	$14,397	23,485	27,259	30,384	36,832	21.2
State Property	5,826	11,776	22,573	31,596	29,729	30,697	31,848	31,454	(1.2)
State Gross Receipts	9,152	14,968	29,208	51,882	71,511	42,579	30,358	44,511	46.6
Other State Taxes			269	467	29,589	883	586	465	(20.9)
Total State Taxes	$18,355	$31,195	$60,110	$98,342	$155,086	$101,854	$93,931	$113,402	20.7
Federal Taxes:									
Income Taxes	$19,564	$30,329	$12,782	$22,849	$104,374	$113,681	$105,429	$144,546	(22.8)
Investment Tax Credits	1,763	1,893	17,658	31,643	9,680	12,361	(10,369)	(17,446)	68.6
Deferred Accelerated Depreciation	(277)	(976)	38,231	38,112	58,293	48,414	65,530	80,865	23.4
Federal Unemployment					149	434	483	425	5.5
Other Taxes			10,485	29,344	(9,730)	21,203	(3,246)	(15,868)	N/C
Total Federal Taxes	$21,050	$30,646	$70,988	$112,148	$162,686	$196,813	$237,767	$193,322	(18.7)
Total State & Federal Taxes	$39,405	$61,841	$131,098	$210,490	$317,772	$297,867	$331,698	$306,724	(7.5)
Total Operating Expenses	$161,752	$277,035	$527,522	$967,470	$1,764,307	$1,991,987	$2,030,988	$2,046,409	0.8
Net Operating Income	$36,031	$66,225	$131,895	$231,189	$320,540	$344,662	$383,060	$409,458	6.9

(a) The 1980 figure includes $922 of net rent from/for lease of operating property.
N/C = Not Comparable

FIGURE NO. 6-13 B

TELEPHONE COMPANIES
SUMMARY OF SELECTED DATA--INCOME STATEMENT, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1965, 1970, 1975, 1980, 1984, 1985, 1986, 1987
(U.S. Data Only Unless Otherwise Noted) (Dollars in 000s)

ITEM	1965	1970	1975	1980	1984	1985	1986	1987	% Change 1987-1986
Other Income or Expense:									
Interest Charged to Construction			$4,958	$4,063	$7,707	$5,961	$6,585	$5,720	(12.1)
Other Income			$9,260	$14,049	$29,913	$26,081	$29,538	$26,541	(10.1)
Deductions from Income					12,083	4,405	5,821	5,750	(1.2)
Total Other Income or Expense			$14,218	$18,112	$25,537	$27,637	$30,222	$26,511	(12.3)
Fixed Charges:									
Interest on Funded Debt			$55,239	$80,110	$99,158	$100,685	$96,647	$92,514	(4.3)
Other Fixed Charges					12,378	13,596	10,279	11,491	11.8
Total Fixed Charges			$55,239	$80,110	$111,536	$114,281	$106,926	$104,005	(2.7)
Extraordinary & Delayed Items (Net)					549	647	(568)	424	N/C
Net Income	$36,031	$66,225	$90,874	$161,191	$235,090	$250,665	$305,780	$332,380	8.7
BALANCE SHEET:									
Assets:									
Telephone Plant in Service	$690,389	$1,270,005	$2,244,307	$3,566,961	$4,636,453	$4,744,491	$5,077,225	$5,519,601	8.7
Less Depreciation Reserve	153,896	271,675	466,752	781,122	1,173,356	1,342,895	1,510,779	1,751,583	15.9
Net Telephone Plant in Service	$536,493	$998,330	$1,777,555	$2,785,839	$3,463,097	$3,401,596	$3,566,446	$3,768,098	5.7
Telephone Plant Under Construction & Held for Public Use			63,021	110,003	98,408	103,952	99,941	127,605	27.7
Total Net Telephone Plant	$536,493	$998,330	$1,840,576	$2,895,842	$3,561,505	$3,505,548	$3,666,387	$3,895,703	6.3
Investments & Funds:									
Investments in Affiliated Companies					$85,778	$92,587	$97,878	$103,210	5.4
Advances to Affiliated Companies					3,865	4,824	17,322	14,456	(16.5)
Other Investments					11,994	16,239	21,634	23,972	10.8
Miscellaneous Physical Property					6,439	5,295	8,510	9,020	6.0
Total Investments & Funds					$107,276	$110,065	$145,344	$150,658	3.7
Current Assets:									
Cash					($5,870)	$12,929	$4,711	($15,835)	N/C
Special Cash Deposits					510	716	3,059	401	(84.3)
Working Funds					683	513	440	433	(1.6)
Temporary Cash Investments					48,620	71,553	25,430	35,920	41.3
Notes Receivable					369	19,205	10,126	8,614	(52.5)
Due from Customers and Agents					201,104	216,632	253,602	255,861	0.9
Accounts Receivable from Affiliated Companies					3,614	6,002	23,917	24,204	1.2
Other Accounts Receivable					147,543	151,277	172,458	161,210	(6.5)
Interest & Dividends Receivable					405	740	533	1,859	N/C

N/C = Not Comparable

FIGURE NO. 6 13 C

TELEPHONE COMPANIES
SUMMARY OF SELECTED DATA--INCOME STATEMENT, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1965, 1970, 1975, 1980, 1984, 1985, 1986, 1987
(N.C. Data Only Unless Otherwise Noted) (Dollars in 000s)

ITEM	1965	1970	1975	1980	1984	1985	1986	1987	% Change 1987-1986
Materials & Supplies					44,619	42,310	45,429	37,482	(17.5)
Other Current Assets					21,807	22,196	21,511	25,327	17.7
Total Current Assets					$464,204	$544,873	$569,296	$536,364	(5.8)
Prepaid Accounts & Deferred Charges					34,271	38,982	45,129	87,433	34.3
Total Assets					$4,167,256	$4,199,468	$4,446,147	$4,670,158	5.0
Stockholder's Equity & Liabilities:									
Stockholder's Equity:									
Capital Stock					$894,334	$947,847	$910,531	$959,888	4.5
Premium on Capital Stock					68,214	109,712	147,285	120,881	(17.9)
Other Capital					53,559	53,280	53,829	53,852	.0
Unappropriated Retained Earnings					506,567	576,586	667,296	768,829	15.2
Retained Earnings Reserved					0	586	330	5	(98.5)
Total Stockholder's Equity					$1,522,674	$1,687,931	$1,787,181	$1,903,366	6.5
Capital Stock Expense					0	160	160	159	(0.6)
Total Stockholder's Equity					$1,522,674	$1,687,771	$1,787,021	$1,903,207	6.5
Long-Term Debt:									
Funded Debt (Actually Outstanding)					$1,083,874	$1,095,098	$1,070,235	$1,065,838	(0.4)
Other Long-Term Debt					100,835	114,241	134,658	164,452	22.1
Total Long-Term Debt					$1,183,999	$1,209,331	$1,204,893	$1,230,290	2.1
Current & Accrued Liabilities:									
Accounts Payable to Affiliated Companies					$29,819	$47,952	$38,843	$31,150	(19.8)
Other Accounts Payable					239,316	212,836	321,497	316,977	(1.4)
Customer Deposits					18,584	19,636	19,273	21,235	10.2
Advance Billing & Payments					30,838	35,335	36,089	37,040	2.6
Other Current Liabilities					93,489	119,811	73,613	117,894	60.2
Taxes Accrued					59,872	61,672	65,442	64,915	(0.8)
Unmatured Interests, Dividends, & Rents Accrued					35,469	35,781	32,751	34,644	5.8
Total Current & Accrued Liabilities					$585,499	$531,423	$588,229	$629,663	6.2
Deferred Credits & Operating Reserves					$955,174	$770,543	$866,085	$911,998	5.3
Total Stockholder's Equity & Liabilities					$4,167,256	$4,199,468	$4,446,147	$4,670,158	5.0

FIGURE NO. 6-13 B

TELEPHONE COMPANIES
SUMMARY OF SELECTED DATA--INCOME STATEMENT, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1965, 1970, 1975, 1980, 1984, 1985, 1986, 1987
(N.C. Data Only Unless Otherwise Noted) (Dollars in 000s)

ITEM	1965	1970	1975	1980	1984	1985	1986	1987	% Change 1987-1986
STATISTICS (N.C. ONLY):									
Telephones in Service--Year End[a]									
Residential Phones	1,154,426	1,677,502	2,406,878	3,104,066	1,958,805	2,015,374	2,127,816	2,273,098	6.8
Business Phones	255,532	341,009	450,000	578,045	538,399	563,854	613,735	688,477	12.2
Coin Operated, PBX Units, & Special Services Phones	178,416	272,202	378,041	457,612	51,901	60,450	65,376	34,956	(46.5)
Grand Total of all Telephones in Service	1,588,374	2,290,713	3,235,799	4,139,723	2,549,105	2,639,678	2,806,927	2,996,531	6.8
Average Number of Calls per Telephone[a]: (Class A & B Only)									
Local	2,131	2,101	1,978	1,710	2,669	2,736	2,889	3,027	4.8
Toll	63	85	113	198	326	394	511	574	12.3
Total Average Number of Employees	12,324	17,791	19,461	21,678	17,170	16,523	16,389	16,660	2.2
Total Wages & Benefits Paid Employees (000s)	$68,423	$121,531	$221,163	$404,832	$458,157	$474,053	$490,138	$526,986	7.5
Average Annual Wages & Benefits Paid Employees (Actual Dollars)	$5,552	$6,831	$11,364	$18,675	$26,683	$28,691	$30,053	$31,632	5.3

[a] Information was available for nine telephone cos. in 1984 & 1985 and eleven cos. in 1986 & 1987.

VII. Water And Sewer Companies

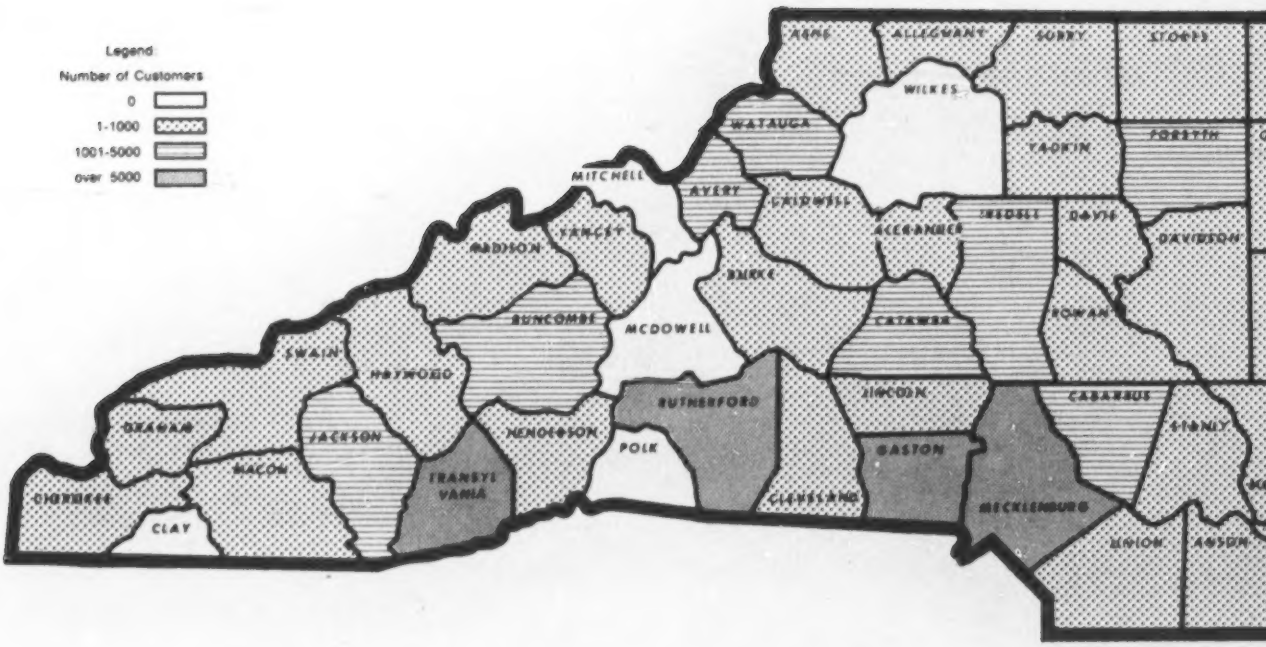
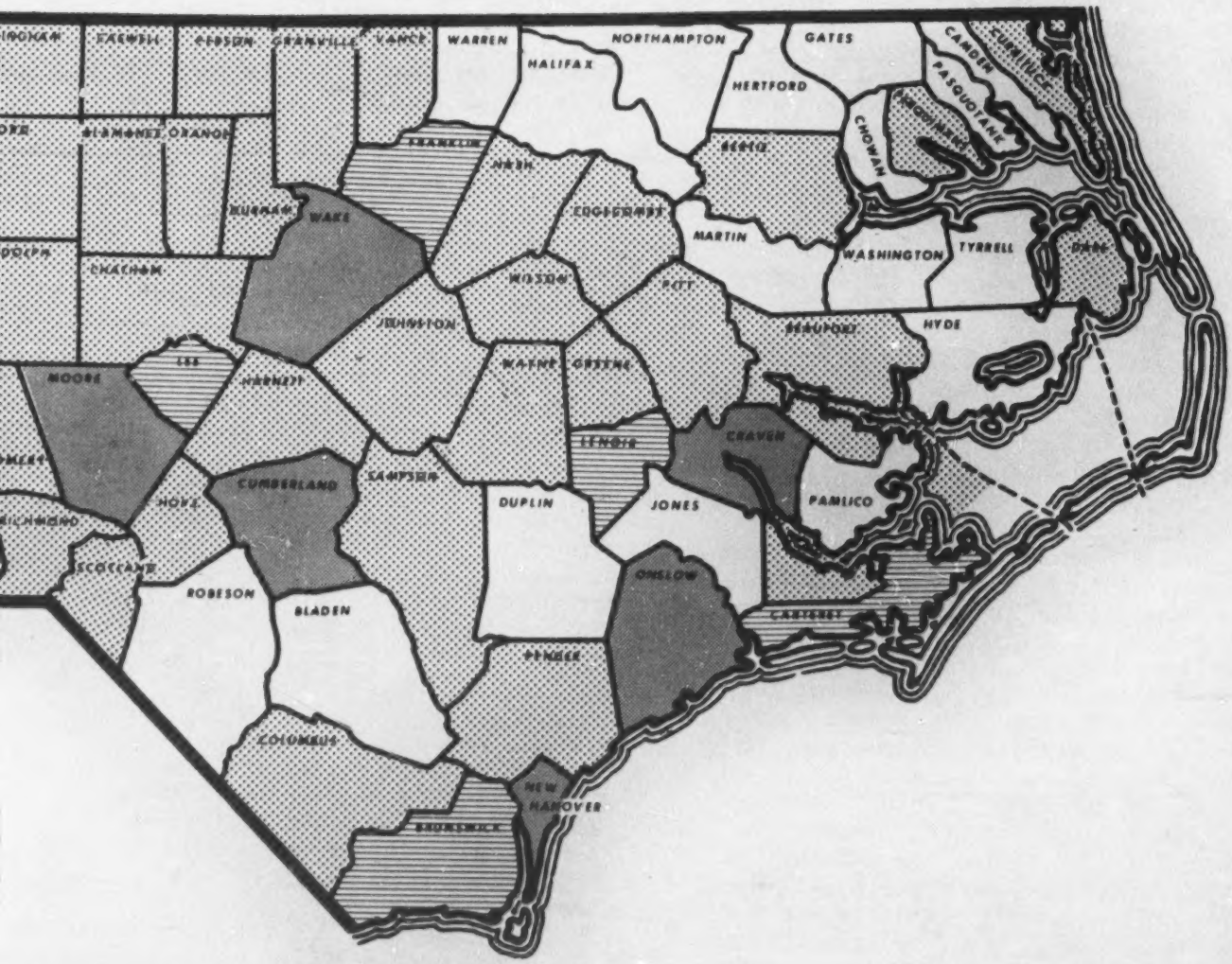


FIGURE NO. 7-1

Distribution of Customers
Served by
REGULATED WATER & SEWER UTILITIES

1987


CASWELL
PERSON
GRANVILLE
VANCE
WARREN
NORTHAMPTON
GATES
HALIFAX
HERTFORD
CAMDEN
PASQUOTANK
CURRITUCK
ALAMANCE
ORANGE
PERQUIMANS
CHOWAN
FRANKLIN
NASH
BERTIE
DURHAM
WAKE
EDGECOMBE
MARTIN
WASHINGTON
TYRRELL
DARE
CHATHAM
WILSON
PITT
JOHNSTON
BEAUFORT
HYDE
LEE
MOORE
HARNETT
WAYNE
GREENE
LENOIR
CRAVEN
CUMBERLAND
SAMPSON
DUPLIN
JONES
PAMLICO
HOKE
SCOTLAND
ROBESON
BLADEN
ONSLOW
CARTERET
PENDER
COLUMBUS
NEW HANOVER
BRUNSWICK

A. GENERAL COMMENTS

As of December 31, 1987, there were 1,545 regulated water and sewer systems in North Carolina owned by 383 companies. These are comprised of 1,311 water and 234 sewer systems. This shows an increase of about 27% in total systems from the previous year. The General Statutes of North Carolina provide in part that anyone owning or operating facilities for furnishing water and sewer service to the public for compensation is a public utility, except when such person's sole operation consists of selling water to fewer than ten residential customers. Specifically exempt from regulation under the statutes are municipalities, sanitary districts, and anyone who furnishes water or sewer service to himself, his tenants, or his employees. The statutes also exempt certain consumer-owned corporations.

Figure Nos. 7-1 and 7-2 show a map and, in chart form, the locations of the water and sewer systems by counties with the number of systems and customers in each county.

In 1987 and 1986 approximately 87% of the regulated companies received less than $50,000 in annual revenues with only ten companies in 1987 and seven in 1986 receiving more than $500,000. Approximately 67% of the water and sewer companies served fewer than 100 customers in 1987 compared to 68% of the companies in 1986.

One of the major problems encountered in regulating small water and sewer utilities is the lack of keeping adequate records. Many small utility owners quite possibly subsidize operations for several years because their records, which are required for filing and justifying rate increases, are inadequate. As a result, of the 383 water and sewer companies franchised to operate in 1987, current statistical and operating data is only included for 239 companies. This data is found in Figure No. 7-3. For the other 144 companies, the most recent statistical data received by the Commission is presented in Figure No. 7-4. This noncurrent statistical data for the years 1976 through 1986 is included to illustrate the total scope of the regulated water and sewer industry in North Carolina.

The Commission has adopted a simplified (2-page) annual report which should encourage small utilities to maintain minimum records of their revenues and expenses. This should enable them to keep accurate records and provide them with the required information needed for general rate cases.

In 1987 approximately 70% of the customers of regulated water companies in North Carolina received metered service, and were furnished water treated in some manner, usually by chlorination. In some systems water is treated with phosphates to control excess iron, and a few systems have filters for iron removal. Approximately 18% of the companies serve customers with water systems having fire protection capability. A few of the companies purchase water from municipalities for resale to their customers, but most of the companies supply water by means of deep wells.

B. COMMISSION ACTIVITIES

During 1987 applications for general rate increases were filed by 23 water and/or sewer companies. Twenty-four water and sewer companies filed for general rate increases in 1986. The Commission granted $403,940 of the $793,607 requested by the water and sewer companies in 1987.

Applications for new franchises totaled 68 in 1986, down 28 cases from 1986. There were 38 requests for transfers of franchises, down from 53 requests in 1986, and 39 miscellaneous proceedings which involved petitions to show cause, requests for emergency operators, restrictions on outside

water usage, public utility status determinations, and formal complaints.

C. REGULATED VS. NONREGULATED MONTHLY CHARGES

Comparative monthly charges for residential water service between selected nonregulated municipal systems and regulated water systems in North Carolina are shown in Figure No. 7-8. This also shows the same comparable component for residential sewer service in North Carolina for the same period.

The Outside City Limits charges for municipal systems vary from 2 to 2 1/2 times the Inside City Limits rates.

D. STATISTICAL SUMMARY

The number of regulated utility companies furnishing water and sewer service in North Carolina was 383, an increase of 3 companies from 1986. These companies operated 1,311 water systems and 234 sewer systems within the State. They served 134,811 water and sewer customers and received $21,435,321 in annual revenues. See Figure No. 7-7 for a graphic presentation.

Of the 383 water and sewer companies regulated as of December 31, 1987, seven water companies and seven water/sewer companies had records in sufficient detail to provide some comparative data to be developed for this report. The individual financial and statistical data for these 14 companies for the year 1987 is shown in Figure Nos. 7-5 and 7-6.

Caution should be used in applying the results of the data shown for these 14 companies to any specific situtation. The data is taken directly from the annual reports without any adjustments. Experience has shown that the Commission usually makes substantial adjustments to the data filed by water and water/sewer companies for ratemaking purposes. The adjustments are most frequently made to the plant accounts and the related depreciation expenses claimed against the plant investment. Most of the adjustments are downward to reflect the elimination of plant contributed or plant investment recovered by the developers or owners through the sales price of the lots in subdivisions. Often there are downward adjustments in both the plant account and in operation expenses due to the system's having unreasonably large unused customer capacity during the early stages of development. In view of these limitations, the average water usage and revenues per customer have the most valuable use for comparative or planning purposes.

FIGURE NO. 7-2

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
ALAMANCE				
Alamance Village Utility	0		1	
Heater Utilities	49		2	
Hydraulics Ltd.	31		1	
Rayco Utilities	0			2
Veterans Drive Commun. Water	30		1	
	110		5	2
ALEXANDER				
Bethlehem Utilities	284		4	
Forest Acres Water Co.	22		1	
Forrest, Tony	18		1	
Hefner Builders, Inc.	9		1	
Matlock, T.L., Jr.	45		2	
Mid South Water Systems, Inc.	3		1	
Milstead Community	16		1	
Piedmont Constr. & Water	309		8	
Pleasant Gardens Dept.	35		1	
	741		20	
ALLEGHANY				
Carolina Water Service of N.C.	228		1	
	228		1	
ANSON				
McCrae Construction Co.	62		1	
	62		1	
ASHE				
Cross-State Development Co.	138		3	
Fleetwood Falls, Inc.	99		1	
Wastewater Services	43	41	1	1
	280	41	5	1
AVERY				
Carolina Water Service	87		1	
Elk River Development Corp.	103	73	1	1
Grandfather Golf & Country Club	179	170	2	2
Linville Ridge	196		1	
Mountain Group	171	31	1	1
Weber Development Company	8		1	
	744	274	7	4

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
BEAUFORT				
Bayview Water Works	96		1	
Flander Filters, Inc.	15		1	
SRME Water System	52		1	
	163		3	
BERTIE				
Campbell, J.C., Electric	15		1	
Evans, Leroy	15		1	
White, Billy	12		1	
	42		3	
BLADEN				
None				
BRUNSWICK				
Bald Head Island Utilities	253	241	1	1
Brick Landing Util. Corp.				1
Carolina-Blythe Util. Co.	1,208	1,208	1	1
Oyster Bay Utilities, Inc.				1
Pelican Trace Utilities, Inc.				1
River Run Utilities, Inc.		16		1
	1,461	1,465	2	6
BUNCOMBE				
Brown, E.S.			1	
Carolina Water Service of N.C.	788		4	
Eagle Heights Utilities, Inc.	10		1	
Huey, Wade	15		1	
Jewell, A. Gordon	34		1	
Kirk Glen, Inc.	21		1	
Poplar Terrace Mobile Home Park	6	6	1	1
R.O.E. Water Utility Co.	23		1	
Ridgecrest Baptist Conference	283		1	
Smith, R. Wiley	28		1	
Viewmont Acres Water System	15		1	
Waller, Louis C., M.D.		49		1
	1,223	55	14	2
BURKE				
Hilltop Subdivision Water System	13		1	
Huffman, H.C. Water Systems, Inc.	20		1	
L & L Construction, Inc.	21		1	

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
BURKE CONTINUED				
Mid South Water Systems, Inc.	79		2	
Mineral Springs Mountain Water	38		1	
Smawley, Elon	30		1	
South Mountain Water Works	35		1	
	236		8	
CABARRUS				
Barrier Grain Company	17		1	
Carolina Water Service of N.C.	553		3	
Castor Court Water Company	16		1	
Corriher Water Service, Inc.	382		10	
Goodman, Richard L.		10		1
Harward's Realty & Insurance	29		1	
Holt, Edgar Lee	18		1	
Home Realty Co. & Insurance	42		1	
Lad, Inc.	107	107	2	2
Little, C.F., Construction Co.	20		1	
Mid South Water Systems, Inc.	1,166		33	
Mullis, Giles E.	62		3	
Rayco Utilities, Inc.			1	
Sehorn Water Supply, Inc.	75		1	
Silver Maples Mobile Estates	200	29	1	1
Terres Bend Water System	25		1	
Northwestern Woods Well System	22		1	
Zemosa Acres	213		2	
	2,947	146	64	4
CALDWELL				
Carolina Water Service of N.C.	91		1	
Fairway Acres Water System	53		1	
Huffman, H.C., Water Systems	34		1	
Joyceton Water Works	154		1	
Looper, Clark Russell	17		1	
Miller, R.B., Jr.	48		1	
Wagner, W. Charles	19		1	
	416		7	
CAMDEN				
None				

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
CARTERET				
Brandywine Bay Utility Co.	157	102	1	1
Carolina Water Service of N.C.	1,885		9	
Colony Water of Morehead City	31		1	
Conner Homes Corporation	46		1	
Emerald Plantation Utility				1
H & M Water Company, Inc.	88		2	
Hydraulics, Ltd.	85		3	
Peppertree Atlantic Beach		1		1
TET Utility Co., Inc.		321		2
W.P.K.S. Utilities		11		1
	2,292	435	17	6
CASWELL				
Millner Water Systems	28		2	
	28		2	
CATAWBA				
A & B Water Co.	21		2	
Acqua, Inc.	100		1	
Bolick, Albert A.	18		1	
Cardinal Estates Water Sys.	7		1	
Cline, H.C., Bldg. & Supply	47		1	
Corriher Water Service, Inc.	19		1	
Duan Water Works, Inc.	52		1	
Fairbrook Utility Co.	18		1	
Hart Water Systems, Inc.	172		2	
Huffman, George V.	36		1	
Huffman, H.C., Water Systems	430		10	
Jamestown Water Corp.	100		1	
Killian Water System	26		1	
Matthews, B.E., Construction Co.	18		1	
McCree, William E.	24		1	
Mid South Water Systems, Inc.	1,108		32	
Piedmont Construction & Water	1,065		27	
Rock Barn Water System	76		1	
Setzer Brothers Well Boring	131		3	
Shamrock Water Corporation	63		1	
Shiloh Water Company	20		1	
Spring Valley Water Sys.	18		1	
Tarlton Real Estate Corp.	100		5	
W & K Enterprises	14		2	
	3,683		99	

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
CHATHAM				
Fearrington Utilities		232		1
Goss Utility Co.	339		5	
Hydraulics, Ltd.	222		8	
Hudson Cole Development Corp.	6	6	1	1
	567	238	14	2
CHEROKEE				
Carolina Water Service of N.C.	236		1	
Mulkey Homesites	73		2	
Pied Piper Resort, Inc.	29		4	
	338		7	
CHOWAN				
None				
CLAY				
None				
CLEVELAND				
Bellview Water System, Inc.	6		1	
Cleveland Water Systems, Inc.	160		1	
Lake Terrace Water System	33		1	
Mid South Water Systems, Inc.	81		2	
Quail Hollow Water System, Inc.	27		1	
Rollingwood Water System, Inc.	64		1	
White Oak Community Water Sys.	52		1	
	423		8	
COLUMBUS				
Duchess Forest Water Supply	34		1	
Honey Hill Water Company	24		2	
Lakeland Village Water Supply	44		1	
	102		4	
CRAVEN				
Carolina Pines Utility Co., Inc.	81	4	3	3
Carolina Water Service of N.C.	911		5	
Greenfield Heights Development	24		1	
Havelock Development Corporation	180		1	
Marmarose Company	48		1	
Northeast Craven Utility Company	2,273	2,236	1	1
	3,517	2,240	12	4

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
CUMBERLAND				
Birchwood Farms, Inc.	125		1	
Brookwood Water Corp.	5,879		37	
Cumberland Water Company	1,082	236	4	1
LaGrange Water Works Corp.	4,135		28	
Maxwell Water Company	34		1	
Montclair Water Co.	4,229	3,172	18	1
Overhills Water Co.	302		2	
P & H Water Company	135		4	
Scotsdale Water & Sewer	404	58	8	1
Sunset Park Utilities	409	206	4	1
Vander Water Company	219		3	
Water, Inc.	127		1	
	17,080	3,672	111	4
CURRITUCK				
Carolina Water Service of N.C.	21		1	
	21		1	
DARE				
Environmental Pollution Control		166		1
Kitty Hawk Utilities, Inc.				3
Nags Head Village Service		11		1
Outer Banks Beach Club, Inc.		8		1
Sea Isle Hills Water System			1	
		185	1	6
DAVIDSON				
William Creek Builders, Inc.		87		1
		87		1
DAVIE				
Surry Water Company	29		1	
Tri-South Construction Company			1	
	29		2	
DUPLIN				
None				
DURHAM				
Clearwater Utilities, Inc.	40		1	
Colony Park Utilities Co.		22		1
Eno Industrial Sewage Facility		4		1
Goss Utility	17		1	

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS WATER	NUMBER OF CUSTOMERS SEWER	NUMBER OF SYSTEMS* WATER	NUMBER OF SYSTEMS* SEWER
DURHAM CONTINUED				
Heater Utilities, Inc.	250		11	
Hydraulics, Ltd.			1	
MAM Water & Sewer Corp.		281		3
North State Utilities, Inc.				1
	307	307	14	6
EDGECOMBE				
Hazelwood Water Co.	66		1	
Lone Pine Water Co.	59		1	
	125		2	
FORSYTH				
Carolina Water Service of N.C.	356		2	
Hydraulics, Ltd.	401		13	
Mid South Water Systems, Inc.		291		9
Rayco Utilities, Inc.			1	
T-Squar Water Co.	231		1	
	988	291	17	9
FRANKLIN				
Clearwater Utilities, Inc.	8		1	
Heater Utilities, Inc.			1	
Piedmont Carolina Construction	19		1	
Rayco Utilities, Inc.			1	
Riviera Utilities of N.C., Inc.	4,780		2	
	4,807		6	
GASTON				
Bess Brothers, Inc.	221		5	
Bess, Cregg	276		6	
Bradshaw Water Co.	27		4	
Brindle Well Drilling	77		2	
Carolina Water Service of N.C.	742		4	
D & W Water Systems			2	
Duncan Gordon	14		1	
Dockery's Water System	133		2	
Falls, Ralph	353		6	
Foxfire Water System	4		1	
Gallagher Trails Enterprises	39		1	
Gaston Builders, Inc.	37		1	
Hensley Enterprises, Inc.	1,979		35	
Holbrook, Mrs. M.L.	26		1	

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS WATER	NUMBER OF CUSTOMERS SEWER	NUMBER OF SYSTEMS* WATER	NUMBER OF SYSTEMS* SEWER
GASTON CONTINUED				
Hollandale Water Company	30		1	
Honeycutt, Wayne M.	68		3	
Jones, Mr. J.W.	11		1	
Laurel Woods Water System	65		1	
Lewis Water Company, Inc.	331		12	
Lewis Water Systems	141		1	
Mid South Water Systems, Inc.	318		9	
Old South Lane Water Sys., Inc.	11		1	
Patterson, James D.	28		1	
Paysours Water Works, Inc.	92		1	
Proctor Water Works	17		1	
Ratchford, Brady W., Jr.	48		1	
Rolling Hills Mobile Home Park	35		1	
Ruff Water Company	557		10	
Skyland Drive Water System	21		1	
Skyview Water System, Inc.	68		1	
Stewart, Paul A.	124		2	
Stoney Oaks Water System	8		1	
TET Utility Co., Inc.	72		1	
Valleydale Water Co.	46		1	
	6,019	———	122	———
GATES				
None				
GRAHAM				
Tobacco Branch Village, Inc.	12		1	
	12	———	1	———
GRANVILLE				
Wilson Water Service	49		6	
	49	———	6	———
GREENE				
H & H Development Corporation	1		2	
	1	———	2	———
GUILFORD				
Hydraulics, Ltd.	167		6	
	167	———	6	———
HALIFAX				
None				

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
HARNETT				
Anderson Creek Homes Water Sys.	185		1	
Harnett Lakes Water Co., Inc.	82		1	
Heater Utilities, Inc.	8		1	
Pinnacle, Inc.			1	
Rolling Springs Water Co., Inc.	448	64	8	1
Tarts Investment Corporation	31		1	
	754	64	13	1
HAYWOOD				
Brookside Water Company	28		1	
Ross, Sanford E.	28		1	
Springdale Water Company	74	36	1	1
	130	36	3	1
HENDERSON				
BRTR, Inc.	75		2	
Brightwater Water Department	124		1	
Browning Enterprises, Inc.	64		1	
Campen Carolina Corp.			1	
FDB, Inc.	11		1	
Hoopers Valley Water Co.	50		1	
Horse Shoe Sewer Co.				1
Kenmure Properties, Ltd.				1
Lake Summit Corporation	61		1	
Marper, Inc.	40		1	
Mid South Water Systems, Inc.	86		2	
Woodhaven Water System	48		1	
	559		12	2
HERTFORD				
None				
HOKE				
Harmony Heights Water Company	89		1	
Scotsdale Water & Sewer, Inc.	31		1	
	120		2	
HYDE				
None				
IREDELL				
Combs, Robert F.	39		3	
Community Water Works, Inc.	77		2	

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
IREDELL CONTINUED				
Corriher Water Service, Inc.	99		3	
Gaither Water Company	8		1	
Mid South Water Systems, Inc.	101		3	
Piedmont Construction & Water	825		21	
Triangle Construction Co., Inc.	20		1	
Tulbert, Stephen E.	11		1	
	1,180		35	
JACKSON				
Cowan Valley Estates Water Sys.	34		1	
Dillard Grading Co.	74		1	
High Hampton, Inc.	84		1	
Holly Hills Water	13		1	
Jackson Utility Co.	746	504	19	19
Moss, James E.	41		1	
	992	504	24	19
JOHNSTON				
Fisher Utilities	130		2	
Heater Utilities	30		1	
Johnston-Wake Utilities, Inc.	5		2	
Oak Ridge Water Sys., Inc.	13		1	
Stony Brook Estates Water Sys.	32		1	
White Oak Utilities, Inc.	53	50	1	1
	263	50	8	1
JONES				
None				
LEE				
Carolina Trace Corporation	498	441	1	1
Carolina Water Service of N.C.	81		1	
Coastal Plains Utility Co.			1	
Farms Water Works	15		1	
Fisher Utilities, Inc.	55		1	
	649	441	5	1
LENOIR				
Crestview Water Company	357		1	
Falling Creek Water Company	351		4	
Hickory Hills Service Co., Inc.	252		1	
Jones, Vernon	28		1	
Mount Vernon Park Water System	152		3	
	1,140		10	

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
LINCOLN				
Coral Park Community Wells	12		1	
Lincoln Water Works, Inc.	121		2	
Mid South Water Systems, Inc.	84		2	
	217		5	
MACON				
Carolina Water Service of N.C.	171		1	
Flat Mountain Estates Water System	34		1	
Riverbend Water Systems	93		1	
	298		3	
MADISON				
Carolina Water Service of N.C.	512		3	
	512		3	
MARTIN				
None				
MCDOWELL				
Mid South Water Systems, Inc.			1	
			1	
MECKLENBURG				
Alternative Waste Treatment Sys.		2		1
Bradshaw Water Company	20		2	
Burnett Construction Co., Inc.			3	
Carolina Water Service of N.C.	5,214		27	
Corriher Water Service, Inc.	52		1	
Clear Meadow Water, Inc.	40		2	
Crater Water System	50		1	
Goose Creek Utility Co.	295	195	1	1
Hunter Water Co.	125		2	
Juniper Water Co.	44		1	
Mauney, William K., Jr.	22		3	
Mid South Water Systems, Inc.	367		9	
North State Utilities, Inc.				2
Sander Water Co.	46		1	
TET Utility Co., Inc.	112		2	
United Systems Co., Inc.				1
	6,387	197	55	5
MITCHELL				
None				

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
MONTGOMERY				
Carolina Water Service of N.C.	283		2	
	283		2	
MOORE				
Blue Farm Water System	17		1	
Carolina Water Service of N.C.	1,274		5	
Community Utilities, Inc.	783		4	
Hydraulics, Ltd.	41		1	
Hyland Hills Development Group	9		1	
Jackson Hamlet Water Supply	113		1	
Niagra Water Co.	26		1	
Pinehurst Enterprises, Inc.	2,885	2,166	1	1
Riverview Water System	33		1	
Woodlake Utilities, Inc.	110	69	1	1
	5,291	2,235	17	2
NASH				
Edwards Millwork & Builder Supply	44		1	
Timberlake, William J.			1	
	44		2	
NEW HANOVER				
Associated Utilities, Inc.	610	499	3	3
C & L Utilities, Inc.	158		2	
Cape Fear Utilities	2,776	910	49	13
Coastal Carolina Utilities, Inc.			2	2
Coastal Plains Utility Company	607		5	
Fairways Utilities, Inc.	127	127	1	1
Glynnwood Mobile Home Park	88		1	
H & H Development Corporation		45		1
Inlet Bay Utilities, Inc.	95	84	8	8
Kings Grant Water Company	1,935		7	
Ogden Village Utilities, Inc.		3		1
Quality Water Supplies, Inc.	1,477		14	
Treasure Cove Water Company	194		3	
	8,067	1,668	95	29
NORTHAMPTON				
None				
ONSLOW				
Blue Creek Utilities, Inc.		55		4
CWB Utilities, Inc.		17		1
Holiday City Mobile Home Park	375	375	1	1

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
ONSLOW CONTINUED				
Horse Creek Farms Utilities Corp.				1
Mercer Environmental Corp.	1,604	315	14	4
North Topsail Water & Sewer, Inc.		867		11
Oakwoods Water Co.	81		1	
Pen Properties, Inc.	75		2	
Pines Utilities, Inc.		258		1
Regalwood Water Co.	136		1	
Rock Creek Environmental Co.		5		1
S & G Development Corp.	120		1	
Scientific Water & Sewerage	923	945	10	10
Sentry Utilities, Inc.		112		2
Spring Water Co., Inc.	126		2	
Viking Utilities Corp., Inc.		227	1	1
Webb Creek Water & Sewer, Inc.				1
	3,440	3,176	33	38
ORANGE				
Heater Utilities, Inc.	119		5	
Hydraulics, Ltd.	8		1	
Northwood Developers of Orange Co.	83		1	
Windham Mobile Home Park	10		1	
	220		8	
PAMLICO				
None				
PASQUOTANK				
None				
PENDER				
Belvedere Utility Co.	150	79	1	1
C & L Utilities, Inc.	211	62	2	2
	361	141	3	3
PERQUIMANS				
Holiday Island Property Owners	813		1	
	813		1	
PERSON				
Goss Utility Co.	3		1	
	3		1	
PITT				
Hendrix-Barnhill Co., Inc.	40		1	
Homestead Community Water	38		1	

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
PITT CONTINUED				
Rivercreek Utility Company			1	
Riverhills, Inc.		55	1	1
Rose Hill Associates Water	259	259	1	1
	337	314	5	2
POLK				
Mid South Water Systems, Inc.			1	
			1	
RANDOLPH				
Avalon Water System, Inc.	18		1	
Hydraulics, Ltd.	251		8	
McMahan, Harold D.	57		1	
Piedmont Estates Water System	93		1	
Randolph Mills, Inc.	85	25	1	1
Rayco Utilities, Inc.			2	1
Touch & Flow Water Systems	261	67	6	1
	765	92	20	3
RICHMOND				
Baker Water Services, Inc.	3		1	
	3		1	
ROBESON				
None				
ROCKINGHAM				
Billingsley, W.D. & John T.	35		1	
Clear-Flow Utilities, Inc.	389	275	1	1
Hydraulics, Ltd.	76		2	
Rockingham Realty Co., Inc.	36		1	
Wilson, Mitchell B.	59		2	
	595	275	7	1
ROWAN				
Anderson, Wayne	30		1	
Corriher Water Service, Inc.	284		8	
Grove Supply Co., Inc.	41		2	
Hydraulics, Ltd.	67		2	
Mid South Water Systems, Inc.	148		3	
Morlan Park Water Co.	28		1	
Mullis, Giles E.	56		2	

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS WATER	NUMBER OF CUSTOMERS SEWER	NUMBER OF SYSTEMS* WATER	NUMBER OF SYSTEMS* SEWER
ROWAN CONTINUED				
Old Farm Water Sys., Inc.	77		1	
Rayco Utilities, Inc.			1	1
South Rowan Investment Corp.	18		1	1
Surry Water Co., Inc.	63		2	
Trexler Water System	103		1	
Wright, Lee & Delores	50		4	
Yost, J.M.	11		1	
	976		30	2
RUTHERFORD				
Chimney Rock Water Works	86		1	
Duke Power Company	4,139		3	
East Rutherford Water Sys., Inc.	30		1	
Hawkins, Paul, Co.	318		2	
Mid South Water Systems, Inc.	131		5	
Mountain Utility Co., Inc.	557	349	1	1
	5,261	349	13	1
SAMPSON				
Moss Hill Water Works	52		1	
	52		1	
SCOTLAND				
Pate, Z.V., Inc.	512		1	
Scotland Water Company	243		5	
Spring Hill Water Corp.	19		1	
Spring Industries, Inc.	35	32	1	1
	809	32	8	1
STANLY				
Cook, L.V., Water Supply	104		2	
H & A Water Services, Inc.	6		1	
Norwood Beach Water Sys.	59		2	
Western Utilities Corp.			4	
	169		9	
STOKES				
Grandview Water Co., Inc.	104		1	
Hydraulics, Ltd.	1		1	
Rayco Utilities, Inc.			1	5
	105		3	5

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
SURRY				
Forest Hills Water System	8		1	
Hydraulics, Ltd.	46		2	
Surry Water Company, Inc.	884		25	
Woods Water Works, Inc.	32		4	
Yadkin Water Corporation			1	
	970		33	
SWAIN				
Dillard Grading Co.	11		1	
	11		1	
TRANSYLVANIA				
Big, Inc.	80		3	
Carolina Water Service of N.C.	278	5,869	1	26
Sherwood Forest Utilities, Inc.	189	25	4	2
TPG Utilities, Inc.	49		1	
Transylvania Utilities Co.	3,096	1,810	1	1
	3,692	7,704	10	29
TYRRELL				
None				
UNION				
Carolina Water Service of N.C.			1	
Country Hills Water Company	34		1	
Independence Water System	21		1	
Mid South Water Systems, Inc.		40		1
Parris, Steddy Durbin, Jr.	59	59	2	2
Sherwood Forest Water System	12		1	
Simco, Inc.	30		1	
	156	99	7	3
VANCE				
Heater Utilities, Inc.	18		1	
Vance Rural Water Systems, Inc.	25		2	
	43		3	
WAKE				
A-1 Utilities			2	
All Star Mobile Home Park	11		1	
Alpha Utilities, Inc.	70		3	
Buffaloe Water System	27		1	
CAC Utilities, Inc.				6
Clearwater Utilities, Inc.	402		7	

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
WAKE CONTINUED				
Compass Utilities			1	
Emerald Village Water System	46		1	
Fairview Water System	120		1	
Fisher Utilities, Inc.	828		16	
Foxhall Village Utilities	252	252	1	1
Gensinger, John W.	27		1	
Gower, Jerry, Construction Co.	18		1	
Green Spring Valley Mobile Estate	320	320	1	1
Gresham's Lake Utility Co., Inc.	17	17	1	1
Hare, John E.	16		1	
Hasty Water Utilities, Inc.	3,817		1	
Heater Utilities, Inc.	2,777		119	
Heritage Water Co., Inc.	102		1	
Ideal Mobile Home Park	24		1	
Ira D. Lee & Associates, Inc.	22	22	1	1
Johnston-Wake Utilities			1	
Jones Dairy Farm Corp.				1
M.D. Square, Inc.	23		1	
Mackie, Martha H.	18	19	1	1
McCullers Pines Water System	14		1	
Mobile Hill Estates Water System	42		1	
Nero Utilities, Inc.			1	1
Neuse Crossing Utilities, Inc.			1	1
North State Utilities, Inc.				7
Parrish & Weathers		112		2
Precision Utility Limited				1
Prior Construction Co.	88		3	
Riverview North Utilities	69		1	
S & H Corporation of Wake County	10		1	1
Scotsdale Water & Sewer, Inc.	174		4	
Spring Water Co., Inc.	116		1	
Turner, T.H. Farms, Inc.	166		5	
Twin Lake Properties	1		1	
Umstead Water Co.	20		2	
Utility Systems, Ltd.		74		1
Wake Utilities, Inc.			1	
WPM Associates		37		1
Westgate Utilities Co., Inc.	8		1	
	9,645	853	189	27
WARREN				
None				

*Many companies operate more than one system.

FIGURE NO. 7-2 CONTINUED

DISTRIBUTION OF SYSTEMS AND CUSTOMERS OF ALL
N.C. REGULATED WATER AND SEWER UTILITIES BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY/COMPANY NAME	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS*	
	WATER	SEWER	WATER	SEWER
WASHINGTON				
None				
WATAUGA				
Associated Realty & Investment	79		1	
Carolina Water Service of N.C.	892		4	
Powder Horn Utilities, Inc.	156		5	
	1,127		10	
WAYNE				
Dees & Tyndall, Inc.				1
Genoa Water Systems, Inc.	811		9	
Heater Utilities, Inc.	119		5	
	930		14	1
WILKES				
None				
WILSON				
CN&H Corporation	75		1	
Davis, Roy A. & Virginia B.	43		1	
Jackson, Harold L.	15		1	
West Wilson Water Company	54		4	
Wilson Water Systems	121		1	
Windsor Lake Water Co.	65		1	
	373		9	
YADKIN				
Yadkin Water Corp.	8		1	
	8		1	
YANCEY				
Carolina Water Service of N.C.	187		1	
	187		1	
GRAND TOTAL	107,145	27,666	1,311	234

*Many companies operate more than one system.

FIGURE NO. 7-2A

SUMMARY DISTRIBUTION OF SYSTEMS AND CUSTOMERS BY COUNTIES
AS OF DECEMRER 31, 1987

COUNTY	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS	
	WATER	SEWER	WATER	SEWER
ALAMANCE	110		5	2
ALEXANDER	741		20	
ALLEGHANY	228		1	
ANSON	62		1	
ASHE	280	41	5	1
AVERY	744	274	7	4
BEAUFORT	163		3	
BERTIE	42		3	
BLADEN				
BRUNSWICK	1,461	1,465	2	6
BUNCOMBE	1,223	55	14	2
BURKE	236		8	
CABARRUS	2,947	146	64	4
CALDWELL	416		7	
CAMDEN				
CARTERET	2,292	435	17	6
CASWELL	28		2	
CATAWBA	3,683		99	
CHATHAM	567	238	14	2
CHEROKEE	338		7	
CHOWAN				
CLAY				
CLEVELAND	423		8	
COLUMBUS	102		4	
CRAVEN	3,517	2,240	12	4
CUMBERLAND	17,080	3,672	111	4
CURRITUCK	21		1	
DARE		185	1	6
DAVIDSON		87		1
DAVIE	29		2	
DUPLIN				
DURHAM	307	307	14	6
EDGECOMBE	125		2	
FORSYTH	988	291	17	9
FRANKLIN	4,807		6	
GASTON	6,019		122	
GATES				
GRAHAM	12		1	
GRANVILLE	49		6	
GREENE	1		2	
GUILFORD	167		6	
HALIFAX				
HARNETT	754	64	13	1
HAYWOOD	130	36	3	1
HENDERSON	559		12	2

FIGURE NO. 7-2A CONTINUED

SUMMARY DISTRIBUTION OF SYSTEMS AND CUSTOMERS BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS	
	WATER	SEWER	WATER	SEWER
HERTFORD				
HOKE	120		2	
HYDE				
IREDELL	1,180		35	
JACKSON	992	504	24	19
JOHNSTON	263	50	8	1
JONES				
LEE	649	441	5	1
LENOIR	1,140		10	
LINCOLN	217		5	
MACON	298		3	
MADISON	512		3	
MARTIN				
MCDOWELL			1	
MECKLENBURG	6,387	197	55	5
MITCHELL				
MONTGOMERY	283		2	
MOORE	5,291	2,235	17	2
NASH	44		2	
NEW HANOVER	8,067	1,668	95	29
NORTHAMPTON				
ONSLOW	3,440	3,176	33	38
ORANGE	220		8	
PAMLICO				
PASQUOTANK				
PENDER	361	141	3	3
PERQUIMANS	813		1	
PERSON	3		1	
PITT	337	314	5	2
POLK			1	
RANDOLPH	765	92	20	3
RICHMOND	3		1	
ROBESON				
ROCKINGHAM	595	275	7	1
ROWAN	976		30	2
RUTHERFORD	5,261	349	13	1
SAMPSON	52		1	
SCOTLAND	809	32	8	1
STANLY	169		9	
STOKES	105		3	5
SURRY	970		33	
SWAIN	11		1	
TRANSYLVANIA	3,692	7,704	10	29
TYRRELL				
UNION	156	99	7	3

FIGURE NO. 7-2A CONTINUED

SUMMARY DISTRIBUTION OF SYSTEMS AND CUSTOMERS BY COUNTIES
AS OF DECEMBER 31, 1987

COUNTY	NUMBER OF CUSTOMERS		NUMBER OF SYSTEMS	
	WATER	SEWER	WATER	SEWER
VANCE	43		3	
WAKE	9,645	853	189	27
WARREN				
WASHINGTON				
WATAUGA	1,127		10	
WAYNE	930		14	1
WILKES				
WILSON	373		9	
YADKIN	8		1	
YANCEY	187		1	
GRAND TOTAL	107,145	27,666	1,311	234

FIGURE NO. 7-3

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1987

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Alternative Waste Treatment	Mecklenburg	W-839		$23,277		2		1
Associated Realty & Investment, Inc.	Watauga	W-384	$6,820		79		1	
Associated Utilities, Inc.	New Hanover	W-303	75,014	81,452	610	499	3	3
Avalon Water System, Inc.	Randolph	W-382	2,186		18		1	
BRTR, Inc.	Henderson	W-762	8,024		75		2	
Baker Water Services, Inc.	Richmond	W-756	380		3		1	
Bald Head Island Utilities, Inc.	Brunswick	W-798	29,271	52,975	253	241	1	1
Barrier Grain Company	Cabarrus	W-688	2,816		17		1	
Bayview Water Works	Beaufort	W-565	4,374		96		1	
Bethlehem Utilities, Inc.	Alexander	W-259	39,434		284		4	
Billingsley, W. D. & J. T.	Rockingham	W-632	6,155		35		1	
Birchwood Farms	Cumberland	W-656	8,622		125		1	
Blue Creek Utilities	Onslow	W-857		31,376		55		4
Blue Farm Water System	Moore	W-926	3,326		17		1	
Bolick, Albert L.	Catawba	W-430	1,564		18		1	
Bradshaw Water Company	Gaston/Mecklen.	W-103	4,306		47		6	
Brightwater Water Dept., Inc.	Henderson	W-151	9,914		124		1	
Brindle's Well Drilling Company	Gaston	W-228	5,134		77		2	
Brookside Water Company	Haywood	W-330	4,429		28		1	
Brookwood Water Corporation	Cumberland	W-177	531,485		5,879		37	
Browning Enterprises	Henderson	W-569	9,816		64		1	
Burnett Construction Company, Inc.	Mecklenburg	W-892	23,790	6,611	N/A	N/A	3	
C & L Utilities, Inc.	New Han./Pender	W-535	29,034	12,348	369	62	4	2
C.N.& H. Corporation	Wilson	W-685	5,236		75		1	
CWB Utilities, Inc.	Onslow	W-852		15,075		17		1
Campen Carolina Corporation	Henderson	W-911	0		0		1	
Cape Fear Utilities, Inc.	New Hanover	W-297	458,252	196,228	2,776	918	49	13
Carolina Blythe Utility Company	Brunswick	W-503	102,188	131,582	1,208	1,208	1	1
Carolina Pines Utility Company, Inc.	Craven	W-870	17,819	12,365	81	4	3	3
Carolina Water Service of North Carolina	(1)	W-354	2,666,945	1,154,822	14,790	5,869	78	26
Chimney Rock Water Works	Rutherford	W-102	10,832		86		1	
Clearwater Utilities, Inc.	(2)	W-846	60,778		450		9	
Cline, H.C., Building & Supply Company, Inc.	Catawba	W-418	5,388		47		1	
Coastal Carolina Utility, Inc.	New Hanover	W-917	491	231	N/A	N/A	2	2
Coastal Plains Utilities Company	New Hanover	W-215	111,664		607		6	
Community Water Works, Inc.	Iredell	W-316	14,149		77		2	
Coral Park Community Well	Lincoln	W-717	1,956		12		1	
Corriher Water Service, Inc.	(3)	W-233	101,787		836		23	
Country Hills Water Company, Inc.	Union	W-609	3,728		34		1	
Crater Water System	Mecklenburg	W-185	3,817		50		1	
Crestview Water System, Inc.	Lenoir	W-325	38,987		357		1	
Cumberland Water Company	Cumberland	W-169	113,770	23,509	1,082	236	4	1

(1) This Company serves the following Counties: Alleghany, Avery, Buncombe, Cabarrus, Caldwell, Carteret, Cherokee, Craven, Currituck, Forsyth, Gaston, Lee, Macon, Madison, Mecklenburg, Montgomery, Moore, Transylvania, Union, Watauga, and Yancey.
(2) This Company serves Durham, Franklin, and Wake Counties.
(3) This Company serves Cabarrus, Catawba, Iredell, Mecklenburg, and Rowan Counties.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA
UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1987

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
D & W Water Systems	Gaston	W-929	$12,331		N/A		2	
Davis, Roy & Virginia	Wilson	W-631	4,690		43		1	
Dees & Tyndall, Inc.	Wayne	W-923		0		0		1
Duchess Forest Water Supply	Columbus	W-324	4,787		34		1	
Duke Power Company	Rutherford	W-094	2,370,638		4,139		3	
Duncan, Gordon	Gaston	W-483	1,136		14		1	
Eagle Heights Utility Company	Buncombe	W-826	2,058		10		1	
Elk River Development Corporation	Avery	W-803	3,569	3,645	103	73	1	1
Eno Industrial Sewage Facility	Durham	W-763		14,414		4		1
Fairway Acres Water Systems	Caldwell	W-260	5,918		53		1	
Fairway Utilities, Inc.	New Hanover	W-787	11,996	23,783	127	127	1	1
Falls, Ralph L., Water Systems	Gaston	W-268	35,374		353		6	
Farm Water Works	Lee	W-844	1,728		15		1	
Fearrington Utilities	Chatham	W-661		20,632		232		1
Flanders Filters, Inc.	Beaufort	W-542	1,936		15		1	
Flat Mountain Estates Water System, Inc.	Macon	W-726	10,091		34		1	
Fleetwood Falls, Inc.	Ashe	W-368	12,263		99		1	
Forest Acres Water Company	Alexander	W-626	2,608		22		1	
Forest Hills Water System	Surry	W-935	0		8		1	
Gaither Building Company	Iredell	W-621	3,723		8		1	
Gaston Builders, Inc.	Gaston	W-737	5,251		37		1	
Goose Creek Utility Company	Mecklenburg	W-369	52,657	51,160	295	195	1	1
Goss Utilities	(1)	W-457	51,860		359		7	
Grandfather Golf & Country Club Utility, Inc.	Avery	W-755	31,281	43,217	179	170	2	2
Grandview Water Company, Inc.	Stokes	W-183	59,965		104		1	
Greenfield Heights Development Company, Inc.	Craven	W-205	5,738		24		1	
Gresham's Lake Utility Company, Inc.	Wake	W-633	55,818	15,200	17	17	1	1
Grove Supply Company	Rowan	W-587	1,716		41		2	
H & H Development Company	Greene/New Han.	W-315	4,507	11,761	1	45	2	1
H & H Water Company, Inc.	Carteret	W-147	12,992		88		2	
Harmony Heights Water Company	Hoke	W-896	11,636		89		1	
Hart Water Systems, Inc.	Catawba	W-739	34,458		172		2	
Harward's Realty & Insurance Company	Cabarrus	W-710	2,874		29		1	
Hasty Water Utilities, Inc.	Wake	W-736	789,280		3,817		1	
Havelock Development Corporation	Craven	W-223	33,160		180		1	
Hawkins, Paul T., Company, Inc.	Rutherford	W-550	20,730		318		2	
Hazelwood Water Company, Inc.	Edgecombe	W-749	10,786		66		1	
Hefner Builders, Inc.	Alexander	W-480	1,587		9		1	
Hendrix-Barnhill Company, Inc.	Pitt	W-650	4,304		40		1	
Hensley Enterprises, Inc.	Gaston	W-089	321,889		1,979		35	
Heritage Water Company, Inc.	Wake	W-679	17,494		102		1	
Hickory Hills Service Company, Inc.	Lenoir	W-460	22,353		252		1	
High Hampton, Inc.	Jackson	W-574	10,112		84		1	
Hilltop Subdivision Water System	Burke	W-863	2,106		13		1	

(1) This Company serves Chatham, Durham, and Person Counties.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1987

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Holbrook, Mrs. M.L.	Gaston	W-433	2,455		26		1	
Holiday City Mobile Home Park	Onslow	W-913	0	0	375	375	1	1
Hollandale Water Company	Gaston	W-419	3,067		30		1	
Holly Hills Water	Jackson	W-855	1,879		13		1	
Holt, Edgar L., Subdivision Water System	Cabarrus	W-606	1,720		18		1	
Homestead Community Water	Pitt	W-452	5,237		30		1	
Honeycutt Water System	Gaston	W-472	9,363		48		3	
Horse Shoe Sewer Company	Henderson	W-916	0		0			1
Hudson Cole Development Corporation	Chatham	W-875	7,551	10,641	6	6	1	1
Huey, Wade	Buncombe	W-614	900		15		1	
Huffman, H.C., Water Systems	(1)	W-095	57,333		484		12	
Hyland Hills Development Group	Moore	W-920	0		9		1	
Ideal Mobile Home Park	Wake	W-748	3,820		24		1	
Inlet Bay Utilities	New Hanover	W-828	9,823	10,958	95	84	8	8
Ira D. Lee & Associates	Wake	W-876	0	0	22	22	1	1
Jackson, Harold L.	Wilson	W-494	1,140		15		1	
Jackson Utility Company	Jackson	W-448	197,381	125,263	746	504	19	19
J.C. Campbell Electric	Bertie	W-594	1,393		15		1	
Jewell, Gordon A.	Buncombe	W-651	3,527		34		1	
Johnston-Wake Utilities	Johnston/Wake	W-906	272		5		3	
Joyceton Water Works, Inc.	Caldwell	W-004	122,501		154		1	
Juniper Water Company	Mecklenburg	W-868	5,577		44		1	
Kenmure	Henderson	W-904		0		0		1
Kings Grant Water Company	New Hanover	W-250	182,234		1,935		7	
LaGrange Waterworks Corporation	Cumberland	W-200	477,190		4,135		28	
Lakeland Village Water	Columbus	W-394	4,787		44		1	
Lake Summit Corporation	Henderson	W-058	12,672		61		1	
Laurel Woods Water System	Gaston	W-694	5,576		65		1	
Lewis Water Company, Inc.	Gaston	W-716	39,243		331		12	
Lewis Water Systems	Gaston	W-288	13,229		141		1	
Lincoln Water Works	Lincoln	W-335	21,613		121		2	
Linville Ridge	Avery	W-766	22,586		196		1	
Little, C.F., Construction	Cabarrus	W-921	1,283		20		1	
Lone Pine Water Company	Edgecombe	W-451	19,522		59		1	
Looper, Clark Russell	Caldwell	W-501	2,094		17		1	
M.D. Square, Inc.	Wake	W-338	1,050		23		1	
MAH Water & Sewer Corporation	Durham	W-772		36,251		201		3
The Marmarose Company	Craven	W-865	8,028		48		1	
Marper, Inc.	Henderson	W-770	5,100		40		1	
Matthews, B. E., Construction Co.	Catawba	W-641	2,407		18		1	
Maxwell Water Company	Cumberland	W-339	3,939		34		1	
McCullers Pines Subdivision	Wake	W-727	2,935		14		1	
McMahon, Harold	Randolph	W-791	5,450		57		1	

(1) This Company serves Burke, Caldwell, and Catawba Counties.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1987

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Mercer Environmental Corporation	Onslow	W-198	$296,179	$151,523	1,604	315	14	4
Mid South Water Systems	(1)	W-720	669,510	58,180	3,672	331	105	10
Miller, R.B., Jr.	Caldwell	W-493	2,164		48		1	
Millner Water Systems	Caswell	W-695	5,689		28		2	
Milstead Community Water System	Alexander	W-718	1,256		16		1	
Mineral Springs Mountain Water Supply	Burke	W-576	6,774		38		1	
Montclair Water Co., Inc.	Cumberland	W-173	451,035	419,855	4,229	3,172	18	1
Morlan Park Water Company, Inc.	Rowan	W-042	2,312		28		1	
Mountains Utility Company	Rutherford	W-808	100,143	73,475	557	349	1	1
Mulkey Homesites Water System	Cherokee	W-818	7,635		73		2	1
Nags Head Village Service, Co., Inc.	Dare	W-882		16,777		11		1
Neuse Crossing Utilities	Wake	W-937	0		0		1	
Niagara Water Company	Moore	W-059	1,860		26		1	
North Topsail Water & Sewer	Onslow	W-754		161,738		867		11
Northeast Craven Utility Company	Craven	W-696	144,413	143,179	2,273	2,236	1	1
Northwestern Woods Well System	Cabarrus	W-860	4,553		22		1	
Norwood Beach Water Systems	Stanly	W-498	6,315		59		2	
Oak Ridge Water Systems, Inc.	Johnston	W-841	2,573		13		1	
Oak Wood Water Company	Onslow	W-655	8,551		81		1	
Ogden Village Utilities	New Hanover	W-836		1,006		3		1
Old Farm Water System, Inc.	Rowan	W-568	6,846		77		1	
Outer Banks Beach Club, Inc.	Dare	W-887		38,675		8		1
Overhills Water Company	Cumberland	W-175	44,687		302		2	
P & H Water Company, Inc.	Cumberland	W-257	13,969		135		4	
Parrish & Weathers	Wake	W-880		19,904		112		2
Patterson, James D.	Gaston	W-276	3,980		28		1	
Paysours Water Works, Inc.	Gaston	W-278	7,870		92		1	
Pen Properties	Onslow	W-586	6,583		75		2	
Peppertree Atlantic Beach Associates	Carteret	W-834		13,935		1		1
Pied Piper Resort, Inc.	Cherokee	W-893	3,900		29		4	0
Piedmont Construction & Water Company, Inc.	(2)	W-262	501,120		2,199		56	
Pinehurst Enterprises	Moore	W-006	437,903	956,063	2,085	2,166	1	1
Pines Utilities, Inc.	Onslow	W-822		61,980		258		1
Pinnacle, Inc.	Harnett	W-922	0		0		1	
Pleasant Gardens Water Dept.	Alexander	W-702	4,660		35		1	
Poplar Terrace Mobile Home Park	Buncombe	W-775	495	0	6	6	1	1
Prior Construction Company, Inc.	Wake	W-567	15,522		88		3	
Quality Water Supplies, Inc.	New Hanover	W-225	227,879		1,477		14	
R.O.E. Water Utility	Buncombe	W-820	2,990		23		1	
Ratchford, Brady W., Jr.	Gaston	W-444	5,704		48		1	
Regalwood Water Company	Onslow	W-187	8,753		136		1	

(1) This Company serves the following Counties: Alexander, Burke, Cabarrus, Catawba, Cleveland, Forsyth, Gaston, Henderson, Iredell, Lincoln, McDowell, Mecklenburg, Polk, Rowan, Rutherford, and Union.
(2) This Company serves Alexander, Catawba, and Iredell Counties.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1987

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Ridgecrest Baptist Conference Center	Buncombe	W-071	$11,322		283		1	
River Hills Sanitation, Inc.	Cabarrus	W-912		981		10		1
River Run Utilities	Brunswick	W-853		565		16		1
Riverbend Water System, Inc.	Macon	W-390	4,050		93		1	
Rivercreek Utility	Pitt	W-930	0		0		1	
Riverhills, Inc.	Pitt	W-461	0	11,620	0	55	1	1
Riverview North Utilities	Wake	W-758	8,900		69		1	
Riverview Water System	Moore	W-723	3,902		33		1	
Riviera Utility of North Carolina	Franklin	W-665	116,311		4,780		2	
Rock Creek Environmental Company	Onslow	W-830		342		5		1
Rockingham Realty Co., Inc.	Rockingham	W-704	4,167		36		1	
Rolling Hills Mobile Home Park	Gaston	W-903			35		1	
Rolling Springs Water Company, Inc.	Harnett	W-313	35,373	5,118	448	64	8	1
Ruff Water Company, Inc.	Gaston	W-435	85,481		557		10	
S & H Corporation of Wake County	Wake	W-806	1,537	0	10	0	1	1
SRME Water System	Beaufort	W-733	5,014		52		1	
Sanders Water Company	Mecklenburg	W-532	2,271		46		1	
Scotland Water Company	Scotland	W-426	34,800		243		5	
Sea Isle Water System	Dare	W-900	0		0		1	
Sehorn Water Supply, Inc.	Cabarrus	W-773	3,230		75		1	
Sentry Utilites, Inc.	Onslow	W-811		18,892		112		2
Sherwood Forest Utility, Inc.	Transylvania	W-706	45,646	4,336	189	25	4	2
Sherwood Forest Water System	Union	W-646	880		12		1	
Silver Maples Mobile Estates	Cabarrus	W-776	815	3,733	200	29	1	1
Skyland Drive Water System	Gaston	W-642	2,576		21		1	
Skyview Water System, Inc.	Gaston	W-293	7,137		68		1	
Sawley, Elon	Burke	W-333	3,516		30		1	
Smith, R. Wiley	Buncombe	W-792	3,774		28		1	
South Mountain Water	Burke	W-866	3,434		25		1	
Spring Hill Water Corporation	Scotland	W-247	2,329		19		1	
Spring Water Company	Onslow/Wake	W-337	34,472		242		3	
Springdale Water Company	Haywood	W-406	12,153	4,755	74	36	1	1
Springs Industries, Inc	Scotland	W-650	2,570	2,669	35	32	1	1
Stony Brook Estates Water System	Johnston	W-295	5,505		32		1	
Sunset Park Utilities, Inc.	Cumberland	W-178	52,501	11,048	409	206	4	1
Surry Water Company, Inc.	(1)	W-314	200,507		976		28	
TET Utility Company, Inc.	(2)	W-759	22,455	57,790	184	321	3	2
T.P.G. Utilities, Inc.	Transylvania	W-675	8,924		49		1	
T-Square Water Company	Forsyth	W-918	0		231		1	
Tarlton Real Estate Corporation	Catawba	W-657	8,025		100		5	
Tarts Investment Corporation	Harnett	W-741	2,237		31		1	
Terres Bend Water	Cabarrus	W-821	4,615		25		1	
Transylvania Utility Company	Transylvania	W-378	165,410	108,600	3,096	1,810	1	1
Treasure Cove Water Company	New Hanover	W-445	19,342		194		3	
Trexler Water System	Rowan	W-505	7,758		103		1	

(1) This Company serves Davie, Rowan, and Surry Counties.
(2) This Company serves Carteret, Gaston, and Mecklenburg Counties.

FIGURE NO. 7-3 CONTINUED

WATER AND SEWER COMPANIES REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION--REVENUES, CUSTOMERS, NUMBER OF SYSTEMS
Data As Of December 31, 1987

Company	County	Docket Number	Annual Revenues		Number of Customers		Number of Systems	
			Water	Sewer	Water	Sewer	Water	Sewer
Triangle Construction Company	Iredell	W-842	$2,633		20		1	
Tulbert, Stephen E.	Iredell		1,980		11		1	
Turner, T.H. Farms, Inc.	Wake	W-687	17,590		166		5	
Unstead Water Company	Wake	W-282	4,943		20		2	
Veterans Drive Community Water System, Inc.	Alamance	W-118	2,512		30		1	
Viewmont Acres Water System	Buncombe	W-856	4,123		15		1	
Viking Utilities, Inc.	Onslow	W-740	0	23,431	0	227	1	1
W & K Enterprises	Catawba	W-611	3,260		14		2	
W.P.K.S. Utilities, Inc.	Carteret	W-659		43,582		11		1
WPM Associates	Wake	W-878		4,876		37		1
Wake Utilities, Inc.	Wake	W-891	0		0		1	
Wastewater Services	Ashe	W-869	2,552	3,672	43	41	1	1
West Wilson Water Company	Wilson	W-781	8,499		54		4	
Western Utilities Corporation	Stanly	W-229	0		0		4	
Westgate Utilities Company, Inc.	Wake	W-239	735		8		1	
Willow Creek Builders, Inc.	Davidson	W-387		21,691		87		1
Wilson Water Service	Granville	W-554	2,851		49		6	
Windsor Lake Water Company	Wilson	W-523	6,178		65		1	
Woodhaven Water System	Henderson	W-805	5,117		48		1	
Woodlake Utilities	Moore	W-789	4,440	1,658	110	69	1	1
Woods Water Works, Inc.	Surry	W-735	3,026		32		4	
Wright, Lee & Deloris	Rowan	W-909	0		50		4	
Yadkin Water Corporation	Surry/Yadkin	W-585	4,117		8		2	
Yost, J.M.	Rowan	W-514	1,716		11		1	
Total			$13,052,080	$4,554,425	88,052	24,266	878	164

N/A--Not Available
*Total Number of Current Companies--239

NONCURRENT DATA OF WATER AND SEWER COMPANIES REGULATED
BY THE NORTH CAROLINA UTILITIES COMMISSION
Data Range 1976-1986

Company	County	Docket Number	Date of Data	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
A&B Water Company	Catawba	W-819	1985	80		21		2	
A-1 Utilities	Wake	W-871	----	0		0		2	
Acqua, Inc.	Catawba	W-270	1986	8,442		100		1	
Alamance Village Utility	Alamance	W-671	----	0		0		1	
All Star Mobile Home Park	Wake	W-628	1986	920		11		1	
Alpha Utilities	Wake	W-862	1986	7,410		70		3	
Anderson Creek Homes	Harnett	W-724	1986	19,655		185		1	
Anderson, Wayne	Rowan	W-566	1986	2,016		30		1	
Bellview Water System, Inc.	Cleveland	W-684	1979	299		6		1	
Belvedere Utility Company	Pender	W-809	1986	10,936	101,598	150	79	1	1
Bess Brothers, Inc.	Gaston	W-331	1986	11,359		221		5	
Bess, Craig, Inc.	Gaston	W-281	1986	46,124		276		6	
Big, Inc.	Transylvania	W-486	1985	11,009		80		3	
Brandywine Bay Utility Company	Carteret	W-693	1986	26,303	11,385	157	102	1	1
Brick Landing Utility Corporation	Brunswick	W-817	1985		0		0		1
Brown, E.S.	Buncombe	W-732	1981	0		0		1	
Buffaloe Water System	Wake	W-635	1983	2,716		27		1	
CAC Utilities, Inc.	Wake	W-812	1984		0		0		6
Cardinal Estates Water	Catawba	W-701	1986	823		7		1	
Carolina Trace Corporation	Lee	W-436	1985	60,751	61,015	498	441	1	1
Castor Court Water Company, Inc.	Cabarrus	W-423	1985	2,492		16		1	
Clear Meadow Water, Inc.	Mecklenberg	W-715	1982	3,895		40		2	
Clear Flow Utilities, Inc.	Rockingham	W-351	1981	3,869	7,141	389	275	1	1
Cleveland Water Systems	Cleveland	W-301	1986	15,774		160		1	
Colony Park Utilities Company	Durham	W-208	1981		567		22		1
Colony Water of Morehead City, Inc.	Carteret	W-654	1979	2,450		31		1	
Combs, Robert F.	Iredell	W-328	1978	2,268		39		3	
Compass Utilities	Wake	W-885	----	0		0		1	
Community Utilities, Inc.	Moore	W-845	1986	119,673		783		4	
Conner Homes Corporation	Carteret	W-343	1986	4,985		46		1	
Cook, L.V., Water Supply	Stanly	W-540	1979	5,965		104		2	
Cowan County Estates	Jackson	W-829	1986	14,190		34		1	
Cross-State Development Company	Ashe	W-408	1984	7,516		138		3	
Dillard Grading Company	Jackson/Swain	W-340	1978	6,332		85		2	
Dockery's Water System	Gaston	W-721	1985	12,684		133		2	
Duan Water Works, Inc.	Catawba	W-346	1986	0		52		1	
East Rutherford Water System, Inc.	Rutherford	W-527	1978	1,830		30		1	
Edwards Millwork & Builder	Nash	W-134	1986	4,177		44		1	
Emerald Plantation Utility Company	Carteret	W-843	----		0		0		1
Emerald Village Water System	Wake	W-104	1984	3,554		46		1	
Environmental Pollution Control, Inc.	Dare	W-774	1983		43,157		166		1
Evans, Leroy	Bertie	W-594	1986	900		15		1	
FDB, Inc.	Henderson	W-544	1983	70		11		1	

FIGURE NO. 7-4 CONTINUED

NONCURRENT DATA OF WATER AND SEWER COMPANIES REGULATED
BY THE NORTH CAROLINA UTILITIES COMMISSION
Data Range 1976-1986

Company	County	Docket Number	Date of Data	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
Fairbrook Utility Company	Catawba	W-674	1986	$1,080		18		1	
Fairview Water System	Wake	W-902	1986	7,200		120		1	
Falling Creek Water Company	Lenoir	W-590	1985	29,262		351		4	
Fisher Utilities	Johns./Lee/Wake	W-365	1982	139,081		1,013		19	
Forrest, P. Tony	Alexander	W-318	1976	1,319		18		1	
Fox Fire Water System	Gaston	W-725	1985	500		4		1	
Foxhall Village Utilities	Wake	W-777	1984	10,123	15,222	252	252	1	1
Gallagher Trails Enterprises	Gaston	W-603	1986	3,700		39		1	
Genoa Water Systems, Inc.	Wayne	W-321	1986	113,355		811		9	
Gensinger, John W.	Wake	W-549	1976	2,253		27		1	
Glynnwood Mobile Home Park	New Hanover	W-454	1986	7,088		88		1	
Gower, Jerry, Construction Company	Wake	W-465	1983	1,740		18		1	
Green Spring Valley Mobile Estate	Wake	W-897	----	0	0	320	320	1	1
H & A Water Services, Inc.	Stanly	W-518	1985	323		6		1	
Hare, John E.	Wake	W-417	1986	3,030		16		1	
Harnett Lakes Water Company, Inc.	Harnett	W-210	1986	9,845		82		1	
Heater Utilities, Inc.	(1)	W-274	1986	810,888		3,370		146	
Holiday Island Property Owners Assoc.	Perquimans	W-386	1985	66,991		813		1	
Home Realty Co. & Insurance	Cabarrus	W-521	1986	2,275		42		1	
Honey Hill Water Company	Columbus	W-420	1986	2,096		24		2	
Hoopers Valley Water Company, Inc.	Henderson	W-794	1985	3,949		50		1	
Horse Creek Farms Utility Corporation	Onslow	W-888	1986		0		0		1
Huffman, George W.	Catawba	W-424	1978	1,546		36		1	
Hunter Water Company	Mecklenberg	W-534	1978	8,310		125		2	
Hydraulics, Ltd.	(2)	W-218	1986	206,887		1,396		49	
Independence Water System	Union	W-858	1986	3,594		21		1	
Jackson Hamlet Water Supply	Moore	W-575	1982	6,435		113		1	
Jamestown Water Corporation	Catawba	W-745	1986	12,584		100		1	
Jones Dairy Farm	Wake	W-898	----		0		0		1
Jones, Mrs. J.W.	Gaston	W-422	1982	500		11		1	
Jones, Vernon	Lenoir	W-620	1982	2,283		20		1	
Killian Water System	Catawba	W-298	1986	2,319		26		1	
Kirk Glen, Inc.	Buncombe	W-838	1986	757		21		1	
Kitty Hawk Utilities, Inc.	Dare	W-859	----		0		0		3
L & L Construction, Inc.	Burke	W-854	1986	3,210		21		1	
Lad, Inc.	Cabarrus	W-722	1984	9,429	12,425	107	107	2	2
Lake Terrace Water System,Inc.	Cleveland	W-683	1978	0		33		1	
Mackie, Martha	Wake	W-785	1986	3,240	2,315	18	19	1	1
Matlock, T.L., Jr.	Alexander	W-624	1986	2,868		45		2	

(1) This Company serves Alamance, Durham, Franklin, Harnett, Johnston, Orange, Vance, Wake, & Wayne Counties.
(2) This Company serves Alamance, Carteret, Chatham, Durham, Forsyth, Guilford, Moore, Orange, Randolph, Rockingham, Rowan, Stokes, & Surry Counties.

FIGURE NO. 7-4 CONTINUED

NONCURRENT DATA OF WATER AND SEWER COMPANIES REGULATED
BY THE NORTH CAROLINA UTILITIES COMMISSION
Data Range 1976-1986

Company	County	Docket Number	Date of Data	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
Mauney, William K., Jr.	Mecklenberg	W-560	1983	$1,580		22		3	
McRae Construction Company, Inc.	Anson	W-466	1984	963		62		1	
McCree, William E.	Catawba	W-562	1986	2,080		24		1	
Mobile Hill Estates Water System	Wake	W-515	1985	3,864		42		1	
Moss, James H.	Jackson	W-760	1985	4,467		41		1	
Moss Hill Water Works Company	Sampson	W-459	1986	8,237		52		1	
Mount Vernon Park Water System	Lenoir	W-872	1985	9,503		152		3	
Mountain Group	Avery	W-752	1984	31,858	0	171	31	1	1
Mullis, Giles E.	Cabarrus/Rowan	W-547	----	5,644		118		5	
Nero Utilities, Inc.	Wake	W-881	----	0	0	0	0	1	1
North State Utilities	(1)	W-848	----		0		0		10
Northwood Water Company	Orange	W-690	1985	9,328		83		1	
Old South Lane Water System, Inc.	Gaston	W-517	1984	660		11		1	
Oyster Bay Utilities	Brunswick	W-831	----		0		0		1
Parris, Steddy Durbin, Jr.	Union	W-563	1980	2,345	1,269	59	59	2	2
Pate, Z.V., Inc.	Scotland	W-867	1986	71,725		512		1	
Pelican Trace	Brunswick	W-833	----		0		0		1
Piedmont Carolina Construction, Inc.	Franklin	W-768	1982	1,125		19		1	
Piedmont Estates Water System	Randolph	W-581	1983	8,294		93		1	
Powder Horn Utilities	Watauga	W-478	1982	10,438		156		5	
Precision Utility Limited	Wake	W-832	----		0		0		1
Proctor Water Works	Gaston	W-663	1979	1,605		17		1	
Quail Hollow Water System	Cleveland	W-427	1979	1,552		27		1	
Randolph Mills, Inc.	Randolph	W-536	1976	4,437	1,087	85	25	1	1
Rayco Utilities	(2)	W-899	----	0	0	0	0	7	9
Rock Barn Water System	Catawba	W-747	1986	19,173		76		1	
Rollingwood Water System, Inc.	Cleveland	W-428	1979	8,188		64		1	
Rose Hill Associates Water Company	Pitt	W-677	1977	0	0	259	259	1	1
Ross, Sanford E.	Haywood	W-618	1979	905		28		1	
S & G Development Corporation	Onslow	W-800	1984	17,280		120		1	
Scientific Water & Sewer	Onslow	W-176	1986	134,861	217,943	923	945	10	10
Scotsdale Water & Sewer	(3)	W-686	1986	56,495	9,744	609	58	13	1
Setzer Brothers Well Boring, Inc.	Catawba	W-360	1986	17,047		131		3	
Shamrock Water Corporation	Catawba	W-432	1984	4,995		63		1	
Shiloh Water Company	Catawba	W-619	1979	1,140		20		1	
Sinco, Inc.	Union	W-356	1979	1,732		30		1	
South Rowan Investment Corporation	Rowan	W-807	1984	1,726	0	18	0	1	1
Spring Valley Water System	Catawba	W-425	1983	1,134		18		1	
Stewart, Paul A.	Gaston	W-614	1980	4,137		124		2	

(1) This Company serves Durham, Mecklenburg, & Wake Counties.
(2) This Company serves Alamance, Cabarrus, Forsyth, Franklin, Randolph, Rowan, & Stokes Counties.
(3) This Company serves Cumberland, Moke, & Wake Counties.

FIGURE NO. 7-4 CONTINUED

NONCURRENT DATA OF WATER AND SEWER COMPANIES REGULATED
BY THE NORTH CAROLINA UTILITIES COMMISSION
Data Range 1976-1986

Company	County	Docket Number	Date of Data	Annual Revenues Water	Annual Revenues Sewer	Number of Customers Water	Number of Customers Sewer	Number of Systems Water	Number of Systems Sewer
Stony Oaks Water System	Gaston	W-782	1984	$578		0		1	
Timberlake, William J.	Nash	W-290	1983	0		0		1	
Tobacco Branch Village, Inc.	Graham	W-504	1981	385		12		1	
Touch & Flow Water Systems	Randolph	W-201	1984	46,204	3,618	261	67	6	1
Tri-South Construction Company, Inc.	Davie	W-849	----	0		0		1	
Twin Lake Properties	Wake	W-914	----	0		1		1	
United Systems Company	Mecklenburg	W-896	----		0		0		1
Utility Systems, Ltd.	Wake	W-463	1978		9,370		74		1
Valleydale Water Company	Gaston	W-272	1986	5,101		46		1	
Vance Rural Water	Vance	W-890	1986	6,657		25		2	
Vander Water Company	Cumberland	W-488	1986	23,077		219		3	
Wagner, W. Charles	Caldwell	W-889	1986	1,710		19		1	
Waller, Louis C., M.D.	Buncombe	S-001	1982		3,920		49		1
Water, Inc.	Cumberland	W-216	1986	15,933		127		1	
Webb Creek Water & Sewer	Onslow	W-864	----		0		0		1
Weber Development Company	Avery	W-589	1984	480		8		1	
White, Billy	Bertie	W-600	1986	300		12		1	
White Oak Community Water System	Cleveland	W-520	1986	3,250		52		1	
White Oak Utilities, Inc.	Johnston	W-861	1986	4,558	6,039	53	50	1	1
Wilson, Mitchell B.	Rockingham	W-602	1979	3,508		59		2	
Wilson Water Systems	Wilson	W-698	1986	15,605		121		1	
Windham Mobile Home Park	Orange	W-804	1985	1,524		10		1	
Zemosa Acres	Cabarrus	W-744	1986	41,318		213		2	
TOTAL				$2,520,981	$507,835	19,093	3,400	433	70

N/A--Not Available
Total Noncurrent Companies---144

FIGURE NO. 7-5

SELECTED FINANCIAL AND STATISTICAL DATA OF COMPANIES COMPRISING THE LARGEST WATER UTILITY OPERATIONS
REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION
Data for the Year Ended December 31, 1987

ITEM	Brookwood Water Corporation	Duke Power Company	Hasty Water Company	La Grange Waterworks Corporation	Piedmont Construction & Water Company	Quality Water Supplies	Surry Water Company, Inc.	Total
INCOME STATEMENT ITEMS:								
Total Revenue	$531,485	$2,370,638	$709,280	$477,190	$501,120	$227,879	$280,507	$5,098,099
Operation & Maintenance Expenses	$406,966	$979,318	$662,707	$393,428	$389,723	$190,162	$176,414	$3,206,798
Depreciation & Amortization Expenses	91,240	261,905	55,045	85,230	71,106	30,220	2,287	597,033
Federal & State Income Taxes	49,507	0	29,709	7,713	650	3,018	2,670	93,267
Other Taxes	40,038	186,992	43,699	30,205	32,324	15,108	10,036	358,402
Total Operating Expenses	$587,751	$1,428,215	$791,240	$516,576	$493,803	$246,508	$191,407	$4,255,500
Net Operating Income	($56,266)	$942,423	($1,960)	($39,386)	$7,317	($18,629)	$89,100	$842,599
Operating Ratio	110.6%	60.2%	100.2%	108.3%	98.5%	108.2%	95.5%	83.5%
Other Income & Expense (Includes Interest)	58,128	0	61,952	(20,938)	(4,939)	5,921	975	101,099
Net Income	$1,862	$942,423	$59,992	($60,324)	$2,378	($12,708)	$90,075	$943,698
BALANCE SHEET ITEMS:								
Gross Plant in Service	$3,046,940	$30,578,630	$5,969,040	$2,147,692	$852,878	$872,298	$615,466	$44,082,152
Less Depreciation Reserve	852,825	6,042,705	212,836	528,442	471,689	316,242	16,895	8,441,434
Net Plant in Service	$2,194,115	$24,535,933	$5,756,204	$1,619,250	$380,589	$556,056	$598,571	$35,640,718
*Contributions in Aid of Construction	$2,271,214	$0	$5,133,929	$1,228,032	$0	$534,044	$621,936	$9,789,155
*Plant Acquisition Adjustment	$113,981	$0	$0	$72,357	$0	$0	$0	$186,238
STATISTICS:								
Total Customers	5,879	4,139	3,817	4,135	2,199	1,477	976	22,622
Total Water Consumption (000s gallons)	455,394	1,483,420	314,455	393,768	125,928	134,210	56,401	2,963,704
Operation & Maintenance Expense Per Total Customer	$69.22	$236.61	$173.64	$95.15	$177.23	$134.17	$180.75	$141.76
Total Expense per Total Customer	$99.97	$345.06	$207.29	$124.93	$224.56	$166.90	$196.11	$188.11
Gross Plant Investment per Total Customer	$518.28	$7,387.93	$1,563.80	$519.39	$387.48	$590.59	$630.60	$1,948.64
Depreciation Expense as % of Gross Plant	3.0%	0.9%	0.9%	4.0%	8.3%	3.5%	0.4%	1.4%
Residential Revenue (Metered)	$502,352	$703,829	$709,280	$477,190	$415,763	$221,771	$280,507	$3,310,692
Residential Customers (Metered)	4,829	3,450	3,145	4,030	1,651	1,467	976	19,548
Residential Water Used (Metered)(000s gallons)	455,394	203,764	314,455	393,768	125,928	130,954	56,401	1,680,864
Average Gallons Used Per Residential Customer	94,304	59,062	99,986	97,709	76,274	89,267	57,993	85,986
Average Revenue per Residential Customer	$104.03	$204.01	$250.96	$118.41	$251.82	$151.17	$285.44	$169.36

*These amounts are included in the "Gross Plant in Service" account. They are shown separately because they are generally excluded from the plant investment account for general ratemaking purposes.

FIGURE NO. 7-6

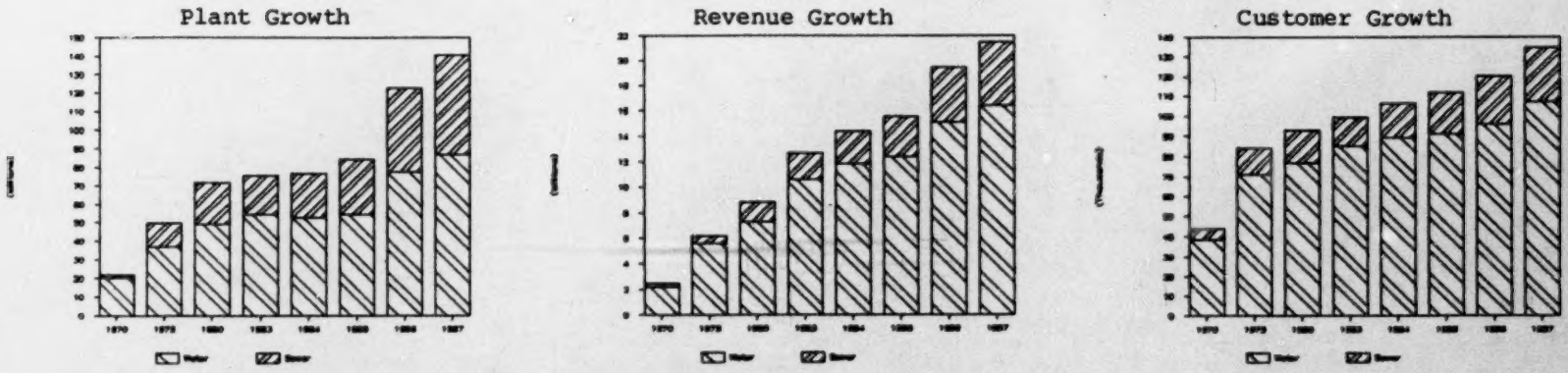
SELECTED FINANCIAL AND STATISTICAL DATA OF COMPANIES COMPRISING THE LARGEST WATER/SEWER UTILITY OPERATIONS
REGULATED BY THE NORTH CAROLINA UTILITIES COMMISSION
Data for the Year Ended December 31, 1987

ITEM	Cape Fear Utilities Inc.	Carolina Blythe Utility Company	Carolina Water Service of N.C., Inc.	Mercer Environmental Corporation	Montclair Water Company	Pinehurst Enterprises	Transylvania Utility Company	Total
INCOME STATEMENT ITEMS:								
Total Revenue	$654,480	$233,770	$3,821,767	$447,702	$870,890	$1,393,966	$274,810	$7,696,585
Operation & Maintenance Expenses	$416,795	$172,026	$2,705,553	$381,260	$796,359	$947,731	$245,293	$5,745,017
Depreciation & Amortization	97,849	6,831	302,979	25,925	106,345	103,220	25,946	669,103
Federal & State Income Taxes	241,260	0	43,483	0	0	81,680	0	366,431
Other Taxes	42,753	12,160	239,362	32,413	58,985	84,395	22,832	511,990
Total Operating Expenses	$818,657	$191,017	$3,371,377	$439,598	$961,689	$1,217,042	$293,241	$7,292,541
Net Operating Income	($164,177)	$42,753	$450,390	$8,104	($90,719)	$176,924	($19,231)	$404,044
Operating Ratio	125.1	81.7	88.2	98.2	110.4	87.3	107.0	94.8
Other Income & Expense (Includes Interest)	130,689	(118,198)	(272,326)	874	6,629	(121,176)	(293)	(373,041)
Net Income	($33,568)	($75,405)	$178,064	$8,978	($84,090)	$55,748	($19,524)	$30,203
BALANCE SHEET ITEMS:								
Gross Plant in Service	$4,101,862	$441,734	$31,544,410	$2,198,885	$3,543,754	$3,788,704	$973,261	$46,592,610
Less Depreciation Reserve	796,487	56,539	2,169,107	574,670	1,163,581	1,121,799	253,951	6,136,142
Net Plant in Service	$3,305,375	$385,195	$29,375,303	$1,624,207	$2,380,173	$2,666,905	$719,310	$40,456,468
*Contributions in Aid of Construction	$2,472,215	$325,492	$15,965,036	$1,449,755	$3,670,226	$351,372	$244,210	$24,478,306
*Plant Acquisition Adjustment	$0	$103,734	$1,557,994	$321,704	$0	$0	$0	$2,063,432
STATISTICS:								
Total Customers	2,776	1,208	14,790	1,604	4,229	2,885	3,096	30,588
Total Water Consumption (000s gallons)	270,787	N/A	N/A	114,556	294,723	366,295	N/A	1,046,361
Operation & Maintenance Expense Per Total Customer	$150.14	$142.41	$180.34	$237.69	$188.31	$328.50	$79.23	$187.02
Total Expense per Total Customer	$294.91	$158.13	$227.95	$274.06	$227.30	$421.85	$94.72	$230.41
Gross Plant Investment per Total Customer	$1,477.62	$365.67	$2,132.82	$1,370.80	$837.97	$1,313.24	$314.36	$1,525.23
Depreciation Expense as % of Gross Plant	2.4%	1.5%	1.0%	1.2%	3.0%	2.7%	2.7%	1.4%
Residential Revenue (Metered)	$412,981	$72,382	N/A	$203,451	$343,446	$388,516	0	$1,500,776
Residential Customers (Metered)	2,739	630	N/A	1,606	N/A	2,885	0	7,851
Residential Water Used (Metered)(000s gallons)	254,000	N/A	N/A	114,556	N/A	366,295	0	734,931
Average Gallons Used Per Residential Customer	93,070	N/A	N/A	71,330	N/A	126,965	0	93,610
Average Revenue per Residential Customer	$151.20	$114.89	N/A	$126.50	N/A	$134.67	$0.00	$191.16

*These amounts are included in the "Gross Plant in Service" account. They are shown separately because they are generally excluded from a the plant investment account for general ratemaking purposes.
N/A--Not Available

FIGURE NO. 7-7

PLANT, REVENUE, AND CUSTOMER GROWTH OF ALL REGULATED
WATER & SEWER COMPANIES IN NORTH CAROLINA
FOR THE YEARS 1970, 1975, 1980, 1983, 1984, 1985, 1986, AND 1987



		1970	1975	1980	1983	1984	1985	1986	1987
Water:	Plant	$20,086,100	$37,000,000	$48,855,000	$54,257,660	$52,500,253	$54,351,108	$77,183,496	$86,025,584
	Revenues	$ 2,223,700	$ 5,600,000	$ 7,324,000	$10,568,833	$11,805,041	$12,414,477	$15,109,945	$16,373,061
	Customers	$ 38,700	$ 71,000	$ 76,581	$ 84,992	$ 89,186	$ 91,232	$ 96,269	$ 107,145
Sewer:	Plant	$ 2,161,800	$13,000,000	$22,514,000	$21,172,699	$23,804,493	$29,495,306	$45,289,998	$53,917,245
	Revenues	$ 244,900	$ 600,000	$ 1,543,000	$ 2,081,889	$ 2,595,220	$ 3,093,387	$ 4,283,345	$ 5,062,260
	Customers	$ 5,300	$ 13,000	$ 16,187	$ 14,564	$ 17,354	$ 20,810	$ 23,885	$ 27,666
Number of Companies		158	349	398	375	378	386	380	383

FIGURE NO. 7-8

COMPARATIVE MONTHLY CHARGES FOR RESIDENTIAL WATER & SEWER SERVICE IN NORTH CAROLINA
AT AUGUST 31, 1988

	WATER Nonregulated Systems - Inside City Limits		
Publicly Owned Systems	3,000 gal.	6,000 gal.	9,000 gal.
Asheville	$9.32	$17.20	$25.08
Charlotte	4.05	6.65	9.25
Greensboro	2.64	5.28	7.92
Raleigh	5.57	9.73	13.89
Wilmington	5.00	10.00	15.00
Winston-Salem	2.93	5.86	8.78
Average-(Simple)	$4.92	$9.12	$13.32

	WATER Regulated Systems - Inside Service Area		
Privately Owned Systems Regulated by Commission (Class B or Larger)	3,000 gal.	6,000 gal.	9,000 gal.
Brookwood Water Corporation	$5.00	$6.65	$8.30
Duke Power Company	12.52	19.59	26.66
Hensley Enterprises, Inc.	8.55	13.05	17.55
LaGrange Waterworks Corporation	5.52	8.04	10.56
Piedmont Construction & Water Company, Inc.	13.00	19.60	27.46
Quality Water Supplies, Inc.	6.20	9.80	13.40
Surry Water Company, Inc.	13.81	19.87	25.93
Average-(Simple)	$9.23	$13.80	$18.55

	SEWER Nonregulated Systems - Inside City Limits		
Publicly Owned Systems	3,000 gal.	6,000 gal.	9,000 gal.
Asheville	$12.16	$16.16	$20.16
Charlotte	4.93	8.41	11.89
Greensboro	3.48	6.96	10.44
Raleigh	4.42	7.86	11.30
Wilmington	6.64	13.28	19.92
Winston-Salem	2.69	5.37	8.06
Average-(Simple)	$5.72	$9.67	$13.63

	SEWER Regulated Systems - Inside Service Area		
Privately Owned Systems Regulated by Commission (Class B or Larger)	3,000 gal.	6,000 gal.	9,000 gal.
Associated Utilities, Inc.	$13.67	$13.67	$13.67
Cape Fear Utilities, Inc.	20.00	20.00	20.00
Carolina Blythe Utility Company	12.30	18.60	24.90
Carolina Water Service of North Carolina	18.00	18.00	18.00
Mercer Environmental Corporation	20.59	20.59	20.59
Montclair Water Company, Inc.	10.25	14.45	18.65
Transylvania Utility Company	7.50	12.00	16.50
Average-(Simple)	$14.62	$16.76	$18.90

A. SECURITIES ISSUES

The Commission approved nine applications for the issuance of electric, gas, and telephone securities and borrowings during 1988 compared with 17 applications in 1987. The 1987 and 1988 applications covered $1,064,109,600 and $608,156,250 respectively.

The securities applications are processed by personnel in the Finance, Statistics, Budget, and Planning Division of the Commission Staff, and reports and recommendations are made to the Commissioners. These reports evaluate and consider many factors such as: (1) the present and projected earnings position of the company, (2) the effect of the projected issue on the company's capital structure, (3) the expense of the issue, (4) the estimated net yield, (5) the probable market price per unit, (6) the purpose of the issue, (7) the use to which the proceeds are to be applied, (8) whether the issue is compatible with the overall public interest, and (9) the merits of the proposed method of marketing the securities; i.e., by competitive bidding, negotiations, or private placement.

Ordinarily, the new capital raised through the sale of securities is primarily for the replacement of short-term borrowings, which have been used largely for new utility plant construction, modernization, and improvement of existing plant to meet increased demands for additional and improved service. However, in 1987 and 1988, a large portion of the long-term debt financings were used to redeem outstanding issues of debt with high interest rates which were prevalent during the 1970s and early 80s. Figure No. 8-1 shows detailed data for each securities issue approved by the Commissioners in 1988.

B. AUDITS AND EXAMINATIONS--COMMENTS

Personnel of the Commission's Public Staff Accounting Division perform extensive audits of the operations of public utilities. The results of each of these audits are a part of the Public Staff's position on matters before the Commission, and they are filed with the Chief Clerk as an official document if they are part of a general rate case proceeding. A brief summary of audits and special studies for 1987 follows:

Utility & Type Audit	1987 No. of Exams
Electric	
General Rate Case	1
Fuel Clause Cases	3
Gas	
General Rate Case & Earnings Investigation	1
Change in Cost of Purchased Gas, Exploration Refunds	18
Telephone	
General Rate Case	1
Toll Revenue Increase	1
Water and Sewer	23
Motor Freight and Motor Passenger Operating Ratios and Tariffs	90
Total	138

C. ANNUAL REPORTS--COMMENTS

For the years 1986 and 1987, there were 1,625 and 1,721 utilities, respectively, required to file annual reports of their operations with the Commission. This number includes 80 nonregulated municipal utility systems. The regulated utilities and the municipal utility systems' annual reports required to be filed with the Commission are prepared on forms furnished to them by the Commission's Public Staff Accounting Division. All completed and returned annual reports of the larger utilities are reviewed in detail by the Accounting personnel of the Public Staff for compliance with the Uniform System of Accounts.

FIGURE NO. 0-1
SECURITIES ISSUES--NEW CAPITAL (Primarily) FOR THE CALENDAR YEAR 1988
AMOUNTS AUTHORIZED FOR NEW OPERATIONS

COMPANY	DOCKET NUMBER	TYPE OF SECURITY OR TRANSACTION	TYPE SALE*	FACE AMOUNT	ACTIVITY DATES: ORDER	ACTIVITY DATES: CLOSING	PRICE PER SHARE OR STATED INTEREST RATE	FACE AMOUNT SOLD	UNDERWRITER'S COMMISSION	YIELD AT OFFERING	NET COST TO COMPANY	NET PROCEEDS TO COMPANY BEFORE EXPENSES	COMMENTS
ELECTRIC:													
Carolina Power & Light Company	E-2 Sub 517	1st Mortgage Bonds 8 9% Due 1993, Nonredeemable Prior to Maturity	N	$100,000,000	6-24-88	9-22-88	9%	$150,000,000	$424,000	9%	9.186%	$99,576,000	Proceeds Used to Reduce Short-Term Debt.
	E-2 Sub 549	Long Term Debt- SEC 415 Shelf Registration Authority	Type Offers Best Rate	$300,000,000 Reissue	, 12-89								CP&L Will Sell Debt Securities that Provide the Lowest Cost to the Company. Proceeds to Be Used for Redeeming High Interest Rate Outstanding Debt Securities and to Replace Short-Term Debt Used for Construction.
	E-2 Sub 550	Promissory Note	P	$40,100,000	11-29-88		9.3%	$40,100,000					Notes Previously Approved in Docket No. E-2, Sub 331 (6-27-78). Proceeds Used to Develop & Operate MCINNES Coal Mine, a Subsidiary of CP&L. New notes exchanged for old notes to prevent a substantial prepayment penalty.
TOTAL ELECTRIC COMPANIES				$440,100,000				$140,100,000	$424,000			$99,576,000	
GAS:													
Piedmont Natural Gas Company	G-9 Sub 200	Common Stock - Up to 1,100,000 Shares, Par Value $.25 Per Share	N Kidder, Peabody & Co.	$22,706,250 (1,050,000 Shares)	5-12-88	5-24-88	$21.625 Per Share	$22,706,250 (1,050,000 Shares)	$861,000 $.82 Per Share			$21,845,250	Proceeds to Reduce Short-Term Financing and Pay for Construction Costs. Piedmont Has a $60 Million Construction Budget for 1988 (Year End 10-31-88).
	G-9 Sub 203	Senior Notes - 10.02% Due August 30, 2003	P	$40,000,000	8-24-88	8-30-88	10.02%	$40,000,000	$110,000	10.02%	10.12%	$39,890,000	Proceeds to Be Used to Reduce Short-Term Debt Used in Financing Construction Program. Notes Sold to Four(4) Insurance Companies.
	G-9 Sub 205	Common Stock 350,000 Shares, to Be Used in Dividend Reimbursement & Stock Purchase Plan	I	$350,000 Market Value At Time of Sale	10-12-88								Shares to Be Used As Needed in Dividend Reimbursement & Stock Purchase Plan.
Public Service Company of N.C.	G-5 Sub 235	Senior Debentures - 10% Due 2003	P	$25,000,000	9-29-88	9-30-88	10%	$25,000,000	$125,000 Placement Fee	10%	10.05%	$24,875,000	Proceeds Used to Repay Short-Term Bank Loans, Including $3,600,000 Incurred to Redeem the Final Portion of its 15 1/2 % First Mortgage Bonds. Balance of Short-Term Funds Used in its Construction Program.
TOTAL GAS COMPANIES				$88,056,250				$87,706,250	$1,096,000			$86,610,250	

*N-Negotiated, P-Private Placement, I-Internal, C-Competitive
O-Open

FIGURE NO. 9-1 CONTINUED
SECURITIES ISSUES--NEW CAPITAL (Primarily) FOR THE CALENDAR YEAR 1988
AMOUNTS AUTHORIZED FOR NEW OPERATIONS

COMPANY	DOCKET NUMBER	TYPE OF SECURITY OR TRANSACTION	TYPE SALE*	FACE AMOUNT	ACTIVITY DATES ORDER	ACTIVITY DATES CLOSING	PRICE PER SHARE OR STATED INTEREST RATE	FACE AMOUNT SOLD	UNDERWRITER'S COMMISSION	YIELD AT OFFERING	NET COST TO COMPANY	NET PROCEEDS TO COMPANY BEFORE EXPENSES	COMMENTS
TELEPHONE:													
GTE South, Inc.	P-19 Sub 210	Common Stock-2,000,000 Shares to Parent GTE Company @ $25 Per Share	I	$50,000,000 (2,000,000 Shares)	2-29-88	3-31-88		$50,000,000				$50,000,000	Proceeds to Be Used to Reduce Short-Term Debt Used in Financing Construction Program.
Contel of Virginia	P-20 Sub 45	1st Mortgage Bonds-10.54% Due 2008	P	$30,000,000	11-10-88	11-22-88	10.54%	$30,000,000	$112,500	10.54%	10.57%	$29,887,500	Proceeds to Be Used to Repay Short-Term Debt Used in Construction. Contel of Virginia Served a Total of 388,356 Access Lines With Only 425 of Them in Currituck County, N.C. at 12/31/87.
TOTAL TELEPHONE COMPANIES				$80,000,000				$80,000,000	$112,500			$79,887,500	
GRAND TOTALS				$680,156,250				$307,006,250	$1,432,500			$266,073,750	

*N-Negotiated, P-Private Placement, I-Internal, C-Competitive
O-Open

IX. The Transportation Industry: Freight Carriers

MOTOR FREIGHT CARRIERS

A. CLASSIFICATION OF MOTOR FREIGHT CARRIERS

Motor freight carriers are divided into three groups according to annual operating revenues. In effect since January 1, 1980 (Docket No. M-100, Sub 68), carriers having annual carrier operating revenues of $5 million or more are Class I carriers. Class II carriers have annual carrier operating revenues of at least $1 million but less than $5 million. Carriers having annual carrier operating revenues of less than $1 million are considered Class III carriers. All motor freight carriers that have authority to operate in North Carolina are required to file an annual report with the North Carolina Utilities Commission. Failure to file this report could be grounds for the cancellation of their operating authority by the Commission. Enforcement and compliance with the filing of annual reports on a timely basis requires a continuing effort by Commission personnel. At December 31, 1987, there were 989 motor freight carriers with authority to operate in North Carolina. At December 31, 1987, there were 977 motor freight carrier annual reports filed with the North Carolina Utilities Commission. Twelve of the carriers requested cancellation in 1988 and did not file a 1987 report.

B. DUTIES OF THE TRANSPORTATION DIVISION

INTRASTATE

The Commission Staff Transportation Division is charged with the economic and safety regulation of all certified motor freight carriers operating within the borders of this State. All applications for new authority grants, transfers of certificates, and cancellations of certificates are handled through this Division.

The Public Staff Transportation Rates Division has the responsibility for maintaining up-to-date files of current rate and service tariffs of all intrastate transportation utility companies. In addition the Public Staff reviews all applications for new or amended rate tariffs. In contested rate cases, rulemaking investigations, abandonments, mergers, and related matters, the Public Staff presents testimony in support of the position of the using and consuming public before the Commission.

The Public Staff has developed and implemented ratemaking rules and procedures designed to provide cost-of-service data for the North Carolina portion of service furnished by the various transportation companies under regulation. The purpose of the cost data is to assure that the companies charge the lowest level of reasonable rates.

The Public Staff offers technical assistance to the Commission and the general public in dealing with transportation matters.

C. COMMISSION ACTIVITIES

During 1987 a total of 100, or 39%, of the Commission's 255 formal hearings were related to the trucking industry; for 1986 the number of truck hearings was 79 and represented 33% of the 239 formal hearings. A recent amendment to the Public Utilities Act provides that if no protests are filed to the truck application, the hearing may be cancelled with the matter decided on sworn shipper affidavits. The majority of truck applications are decided in this manner. The Commission sometimes settles tariff filings and other filings based on Public Staff and Commission Staff studies and recommendations presented at Monday morning conference sessions.

D. IMPACT OF MOTOR CARRIER ACT OF 1980

A federal bill (Senate Bill 2245) to encourage the deregulation of the trucking industry was signed into law on July 1, 1980. The Motor Carrier Reform Act of 1980 was designed to

reduce unnecessary regulation by the Federal government. This act increases opportunities for firms in the trucking industry to operate without interference from the government.

The Motor Carrier Reform Act of 1980 provided a three-year transition to the new regulatory environment with major changes in ratemaking beginning in July 1983. This act is Federal legislation and, therefore, affects only interstate commerce. The number of interstate vehicles registered with the N.C. Division of Motor Vehicles has increased significantly since the passage of the 1980 Motor Carriers Reform Act.

The following tabulation shows motor carriers which hold authority from the Commission classified by type:

Type	1987	1988
Common	789	743
Contract	162	180
Common and Contract	49	66
Total	1,000	989

"Common carrier by motor vehicle" means any person who holds himself out to the general public to engage in the transportation by motor vehicle in intrastate commerce of persons or property of any class or classes thereof for compensation, whether over regular or irregular routes, except as exempted in G.S. 62-260.

"Contract carrier by motor vehicle" means any person who, under an individual contract or agreement with another person as may be approved by the Utilities Commission, engages in the transportation other than the transportation referred to in the above paragraph, by motor vehicle of persons or property in intrastate commerce for compensation, except as exempted in G.S. 62-260.

E. SUMMARY OF OPERATING DATA

A list of the Class I and II motor freight carriers, with selected operating financial data is shown in Figure Nos. 9-1 and 9-2. Figure No. 9-3 provides a list of Class I and II carriers whose authority was granted in 1987. A summary of selected data for the Class I and II carriers for the 1987 calendar year is shown in Figure No. 9-4. It should be noted that the operating revenues for North Carolina are from freight moved on intrastate tariffs regulated by the North Carolina Commission only; therefore, they account for a very small percentage of the total revenues generated by this group of carriers. Reports for years prior to 1979 have shown total North Carolina revenues to be about 8% to 10% of total systemwide revenues. The prior years' data included revenues which were generated from freight moved on both North Carolina (intrastate) and Interstate Commerce Commission (interstate) tariffs.

A list of the Class III motor freight carriers, with total company revenues is shown in Figure No. 9-5. Figure No. 9-6 shows the Class III motor carriers whose authority was granted in 1987 and Figure No. 9-7 lists those carriers who were inactive in 1987.

There were 682 Class III motor carriers, active and inactive, filing 1987 annual reports with the North Carolina Utilities Commission. Often useful data for many of the Class III carriers is not available and in many instances is nonexistent. Therefore, discretion should be exercised in using Class III data for comparative purposes. The reported data does not reflect information for all the certified Class III motor carriers operating in North Carolina.

FIGURE NO. 9-1

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1987 and 1986
(Dollars in 000s)

CLASS I	NORTH CAROLINA		TOTAL COMPANY DATA						NORTH CAROLINA			
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number of Employees		Total Salaries Paid	
	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986
Mobile Home Movers:														
Barrett Mobile Home Transport, Inc.	$318	$263	$18,854	$17,731	$17,454	$17,065	$600	$666	96.7%	96.2%	7	3	$104	$70
Horgan Drive Away, Inc.	219	183	49,506	54,999	48,106	54,458	1,400	541	97.0%	99.0%	4	4	49	40
NTC of America, Inc.	775	533	42,233	45,456	41,257	44,599	976	857	97.7%	98.1%	0	0	0	0
Transit Homes of America, Inc.	113	145	17,898	10,293 (A)	17,150	9,854	748	439	95.8%	95.7%	1	2	11	21
Total	$1,425	$1,124	$127,771	$128,479	$123,967	$125,976	$3,804	$2,503	97.0%	98.1%	12	9	$164	$131
Household Goods Movers:														
Burnham Service Company, Inc.	$115	$107	$93,879	$89,487	$83,120	$78,765	$10,759	$10,722	88.5%	88.0%	141	161	$2,682	$2,652
Lentz Transfer & Storage Company	193	151	14,469	11,970	14,529	11,411	(60)	559	100.4%	95.3%	284	223	4,825	3,927
Signal Delivery Service, Inc.	938	670	232,276	218,446	227,004	200,645	5,272	17,801	97.7%	91.9%	199	114	5,318	4,102
Stevens Van Lines, Inc.	0	0	17,431	20,328	17,830	20,218	401	110	97.7%	99.5%	0	0	0	0
Total	$1,246	$928	$358,055	$340,231	$341,683	$311,039	$16,372	$29,192	95.4%	91.4%	624	498	$12,825	$10,681
General Freight Carriers:														
AAA Cooper Transportation	$161	$252	$92,113	$77,816	$83,262	$68,394	$8,851	$9,422	90.4%	87.9%	64	64	$1,829	$1,730
ABF Freight System, Inc.	57	46	526,294	500,146	515,857	470,795	10,437	29,351	98.0%	94.1%	369	347	12,007	11,275
Action Transit Company	17	10	7,286	7,002	7,147	7,951	139	(149)	98.1%	101.9%	11	11	333	242
Alterman Transport Lines, Inc.	201	185	53,950	52,046	52,506	51,216	1,444	830	97.3%	98.4%	82	84	1,596	1,453
Anderson Truck Line, Inc.	2,234	2,204	7,447	7,329	7,069	6,469	378	860	94.9%	88.3%	169	171	3,313	3,002
Associated Petroleum Carriers, Inc.	3,762	N/A	32,818	34,269	33,319	33,966	(501)	303	101.5%	99.1%	0	0	0	0
B & P Motor Lines, Inc.	0	0	15,374	13,691	14,690	12,559	684	1,132	95.6%	91.7%	135	102	2,559	1,747
B.I. Transportation, Inc.	135	321	73,964	71,014	64,972	63,380	8,992	7,634	87.8%	89.3%	661	672	18,185	17,520
Bennett Motor Express, Inc.	393	187	21,049	17,640 (A)	20,438	17,209	611	431	97.1%	97.6%	0	0	0	0
Billings Freight Systems, Inc.	499	981	19,972	20,661	18,554	18,498	1,418	2,163	92.9%	89.5%	262	267	6,591	6,504
Blue Ridge Transfer Company, Inc.	0	0	35,593 (B)	32,753	35,104	32,118	489	635	98.6%	98.1%	90	81	1,910	1,647
Boone, The A.G., Company	4,019	3,923	11,247	10,087	10,623	9,272	624	815	94.5%	91.9%	126	120	3,387	3,012
Bowman, D. H., Inc.	0	0	26,421 (B)	21,685	24,642	19,855	1,779	1,830	93.3%	91.6%	107	98	2,708	2,056
Bralley Willett Tank Lines, Inc.	776	450	8,259	5,980	7,596	5,267	663	713	92.0%	88.1%	22	16	426	286
Brown Transport Corporation	0	0	179,386	189,710	184,517	178,758	(5,211)	10,952	102.9%	94.2%	464	312	8,870	7,390
Builders Transport, Inc.	1,869	2,491	106,386	106,487	103,347	98,065	3,039	8,342	97.1%	92.2%	190	173	3,895	3,829
Bulldog Trucking, Inc.	551	138	38,471 (B)	14,999	26,124	12,040	4,347	2,959	85.7%	80.3%	56	19	1,122	483
Burton Lines, Inc.	1,639	1,175	11,379	10,519	10,967	10,156	412	363	96.4%	96.5%	120	110	1,996	1,970
Byrd Motor Line, Inc.	9,793	N/A	9,793	8,890	9,571	8,455	222	435	97.7%	95.1%	200	N/A	3,769	N/A
C & H Nationwide Transportation Company	10	8	81,149	95,927	88,940	96,658	(7,791)	(731)	109.6%	100.8%	15	20	389	379
C & H Evans Trucking Co., Inc.	0	10	15,238	15,526	15,203	14,964	35	562	99.8%	96.4%	110	250	1,837	3,195
Cabarrus Consolidating & Management Company	142	132	8,099	7,995	8,086	7,149	13	846	99.8%	89.4%	79	N/A	1,783	1,575
Caldwell Freight Lines, Inc.	1,273	1,124	10,910 (B)	9,370	8,879	7,761	2,031	1,609	81.4%	82.8%	175	160	3,712	3,415

FIGURE NO. 9-1 CONTINUED

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1987 and 1986
(Dollars in 000s)

CLASS I	NORTH CAROLINA		TOTAL COMPANY DATA								NORTH CAROLINA			
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number of Employees		Total Salaries Paid	
General Freight Carriers:	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986
Carolina Freight Carriers Corporation	$855	$657	$472,638	$474,832	$448,306	$438,496	$24,324	$35,536	94.9%	92.5%	2,674	2,688	$79,962	$77,364
Catawba Trucking Company, Inc.	0	20	6,868	9,003	5,926	8,109	942	894	86.3%	90.1%	0	0	0	0
Central Transport, Inc.	2,375	2,163	51,958	46,268	49,672	41,961	2,286	4,307	95.6%	90.7%	255	240	7,525	6,710
Chemical Leaman Tank Lines, Inc.	3,200	2,375	202,359	184,527	196,602	176,996	5,757	7,531	97.2%	95.9%	88	89	2,853	2,706
Cline, Phil, Trucking, Inc.	20	20	3,663	4,243	3,521	3,996	142	247	96.1%	94.2%	20	25	500	714
Coast Refrigerated Trucking Company, Inc.	80	73	10,187	9,349	10,203	9,137	(16)	212	100.2%	97.7%	26	19	671	554
Colonial Freight Systems, Inc.	132	93	42,242	42,917	40,454	41,937	1,788	980	95.8%	97.7%	28	27	574	646
Colonial Motor Freight Line, Inc.	1,500	1,500	17,738	17,368	19,638	17,259	(1,900)	109	110.8%	99.4%	225	270	5,460	4,827
Conoco, Inc.	2,206	1,831	78,867	74,769	62,214	59,224	15,853	15,545	79.7%	79.2%	50	47	1,406	1,480
Consolidated Freightways Corp. of Delaware	122	110	1,555,217	1,467,329	1,478,501	1,351,686	76,716	115,723	95.1%	92.1%	863	709	25,627	22,195
Continental Transport Systems, Inc.	16	3	1,849	2,873	996	2,781	53	172	94.9%	94.0%	0	0	0	0
Cresco Lines, Inc.	0	0	20,087	17,705	19,337	16,907	670	798	96.7%	95.5%	0	0	0	0
Crete Carrier Corporation	0	0	89,888	88,295	83,939	77,887	5,869	3,208	94.3%	96.8%	0	0	0	0
Custom Deliveries	392	420	25,736	28,696	25,392	27,792	344	904	98.7%	96.8%	2	5	20	161
Decato Brothers, Inc.	11	15	10,585	10,250	10,266	9,982	239	268	97.7%	97.4%	5	3	88	39
DeWitt, L.G., Trucking Company, Inc.	0	0	24,690	23,117	27,982	24,989	(3,292)	(1,872)	113.3%	108.1%	391	356	5,566	5,424
Dixie Trucking Company, Inc.	6,430	4,297	8,955	7,813	8,546	7,384	409	429	95.4%	94.5%	156	141	4,340	3,932
Douglas & Sons, Inc.	17	0	7,740 (B)	6,744	7,611	6,662	129	82	98.3%	98.8%	88	69	1,883	1,653
Eagle Transport Corporation	4,454	3,851	13,383	9,839	12,470	8,906	913	733	93.2%	91.9%	92	78	2,206	1,706
Electric Transport, Inc.	0	0	11,980	5,087	11,283	4,792	697	295	94.1%	94.2%	0	0	0	0
Epes Transport System, Inc.	685	639	15,169	13,852	15,129	13,473	40	(421)	99.7%	103.2%	78	94	1,769	1,886
Estes Express Lines	11,424	10,982	79,518	72,570	67,991	61,263	11,527	11,307	85.5%	84.4%	N/A	N/A	15,441	14,892
Fleet Transport Company, Inc.	1,206	1,116	61,890	55,149	64,178	53,374	(2,288)	1,775	103.7%	96.8%	26	22	484	444
Food Carrier, Inc.	660	686	9,570	10,263	9,232	9,285	338	1,058	96.5%	89.7%	0	0	0	0
Forbes Transfer Company, Inc.	622	648	6,741	6,521	6,512	6,151	229	370	96.6%	94.3%	54	60	855	891
Fredrickson Motor Express Corporation	20,885	20,442	40,951	37,563	40,392	36,942	559	621	98.6%	98.3%	791	882	17,717	17,622
Fulton, Arthur H., Inc.	585	313	25,898	20,042	23,112	17,848	1,986	2,202	92.1%	89.0%	95	75	1,944	1,827
Gabler, H.C., Inc.	108	88	12,667	13,314	12,722	12,764	(55)	550	100.4%	95.9%	11	7	241	129
Gaines Motor Lines, Inc.	4,259	4,306	17,727	17,499	14,481	14,391	3,246	3,108	81.7%	82.2%	140	136	3,487	3,233
Glass Container Transport	270	N/A	9,383	6,420	8,345	5,839	658	581	92.7%	91.0%	93	N/A	1,569	N/A
Glosson Enterprises, Inc.	113	164	5,249	5,861	5,094	5,403	155	458	97.0%	92.2%	87	88	1,668	1,788
Graham, David, Company	1,576	N/A	15,867	16,917	14,777	16,462	298	455	98.1%	97.3%	13	N/A	234	N/A
Green Arrow Motor Express Company	162	128	8,727	10,388	9,356	10,802	(629)	(422)	107.2%	104.1%	0	0	0	0
Greenwood Motor Lines, Inc.	679	421	13,844	12,476	13,060	10,928	784	1,548	94.3%	87.6%	66	45	1,275	1,011
Guignard Freight Lines, Inc.	375	266	8,824	8,553	8,903	8,374	(79)	179	100.9%	97.9%	92	93	1,926	1,878
Gypsum Haulage, Inc.	0	0	14,762	14,673	15,114	14,156	(352)	517	102.4%	96.5%	0	0	0	0
H & H Trucking Company, Inc.	0	0	8,000	7,387	7,683	6,956	1,125	431	87.2%	94.2%	68	65	1,975	1,331
Harris Transport Company	133	0	16,971	19,690	15,991	18,559	980	1,131	94.2%	94.3%	4	17	84	327
Herman Brothers, Inc.	0	0	19,718	19,898	19,903	20,086	(185)	(188)	100.9%	100.5%	0	0	0	0
Holly Farms Poultry Industries, Inc.	739	648	20,648 (B)	15,521	23,792	22,529	(3,124)	(7,008)	115.1%	145.2%	206	181	6,445	5,594
Hone Run, Inc.	385	96	8,875	6,062 (A)	7,371	5,542	784	520	91.3%	91.4%	4	2	63	18
Huss, Inc.	41	31	12,115	11,137 (A)	12,025	10,819	90	318	99.3%	97.1%	0	0	0	0

FIGURE NO. 9-1 CONTINUED

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1987 and 1986
(Dollars in 000s)

CLASS I	NORTH CAROLINA		TOTAL COMPANY DATA						NORTH CAROLINA			
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number of Employees		Total Salaries Paid	
General Freight Carriers:	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986
Independent Freightway, Inc.	842	812	$116,765	$105,169 (A)	$112,753	$102,481	$4,012	$2,688	96.6%	97.4%	5	3	$144	$97
Indianhead Transportation Company, Inc.	0	0	11,883	12,013	10,889	11,212	994	801	91.6%	93.3%	0	0	0	0
Infinger Transportation Company, Inc.	420	379	8,576	8,670	8,475	8,206	101	472	98.8%	94.6%	21	16	437	294
Iredell Milk Transportation, Inc.	530	735	6,763	5,763	6,712	5,696	51	67	99.2%	98.8%	48	56	1,317	1,143
J & S Truck Service, Inc.	0	0	11,097	11,921	10,999	11,624	100	297	99.0%	97.5%	127	129	2,791	2,891
Jefferson Trucking Company	3	4	14,633	14,438	13,929	13,443	704	987	95.2%	93.2%	0	0	0	0
Kenan Transport Company	5,331	6,530	38,518	37,097	34,451	33,133	4,067	3,964	89.4%	89.3%	244	223	6,745	5,513
Kenosha Auto Transport Corporation	N/A	0	51,772	55,367	50,534	53,961	1,238	1,406	97.6%	97.5%	N/A	N/A	N/A	N/A
L & J Motor Lines, Inc.	0	0	6,619	7,016	7,073	6,580	(454)	450	106.9%	93.5%	120	147	2,659	2,717
L.R.C. Truck Lines, Inc.	59	16	8,523	7,968 (A)	11,255	10,775	(2,732)	(2,815)	132.1%	135.4%	0	0	0	0
Landair Transport, Inc.	49	0	19,330	12,987 (A)	18,826	11,799	504	1,188	97.4%	91.4%	34	88	588	373
Lawrence Transportation Systems, Inc.	418	467	10,318	10,589	11,505	11,588	(1,187)	(1,079)	111.5%	110.3%	151	117	1,755	1,767
Leaseway Customized Transport, Inc.	0	0	25,518 (B)	22,905	24,664	22,103	854	802	96.7%	96.5%	9	6	186	250
Leaseway Deliveries, Inc.	0	0	48,922	47,988	49,791	49,262	(869)	(1,274)	101.8%	102.7%	0	0	0	0
Lebarnold, Inc.	81	183	9,543	7,235	8,729	6,462	814	773	91.5%	89.3%	26	32	582	714
Liquid Transporters, Inc.	236	1,473	33,888	30,882	32,935	30,338	953	(256)	97.2%	100.9%	29	32	483	536
Logistics Express, Inc.	0	0	26,487	23,869	24,681	22,448	1,806	1,421	93.2%	94.0%	0	0	0	0
Lumber Transport, Inc.	18	20	12,158	11,985	11,312	10,980	838	1,005	93.1%	91.6%	0	0	0	0
MGM Transport Corporation	39	21	29,276	23,212	28,431	22,317	845	895	97.1%	96.1%	278	218	6,849	4,776
Matlack, Inc.	456	511	284,381	203,265	281,448	197,747	2,853	5,518	98.6%	97.3%	28	18	542	484
McClendon, Glenn, Trucking Company, Inc.	86	27	36,776	34,239	36,256	31,667	520	2,572	98.6%	92.5%	14	13	224	181
McKil Specialized Carriers, Inc.	219	N/A	51,285	50,140	49,976	49,166	1,309	974	97.4%	98.1%	4	N/A	81	N/A
Melton Truck Lines, Inc.	6	29	47,937	52,533	47,749	52,722	188	(189)	99.6%	100.4%	7	0	185	128
Mercer Brothers Trucking Company	206	248	5,742	7,282	5,692	7,241	50	41	99.1%	99.4%	81	87	1,443	1,564
Merchants Home Delivery Service, Inc.	0	0	42,431	46,221	36,649	41,910	5,782	4,311	98.7%	98.7%	0	0	0	0
Metler, A. J., Hauling & Rigging, Inc.	17	3	32,113	32,327	32,124	32,066	(11)	261	100.0%	99.2%	6	6	111	149
Mitchell Transport	N/A	N/A	25,269	31,181	27,532	32,878	(2,263)	(1,697)	109.0%	105.4%	0	34	0	699
Moss Trucking Company, Inc.	1,032	1,011	15,644	15,568	15,681	14,599	(37)	969	100.2%	93.8%	122	116	2,930	2,797
Motor Convoy, Inc.	0	N/A	120,611	119,561	127,524	117,725	1,087	1,836	99.2%	98.5%	0	N/A	0	N/A
Murrow's Transfer, Inc.	374	249	9,843	9,453	9,293	8,742	550	713	94.4%	92.5%	159	147	3,522	3,313
National Freight, Inc.	187	96	135,350	132,942	131,957	127,846	3,481	5,096	97.5%	96.2%	26	24	564	486
North American Van Lines, Inc.	41	N/A	790,528	744,919	763,526	722,999	26,994	21,920	96.6%	97.1%	28	N/A	778	N/A
Nu-Car Carriers, Inc.	2	10	142,916	133,719	137,864	126,670	5,052	7,649	96.5%	94.3%	15	15	475	888
Observer, The Transportation Co.	584	621	7,117 (B)	6,297	7,076	5,866	41	431	99.4%	93.2%	118	114	3,195	2,888
Old Dominion Freight Line, Inc.	1,959	1,843	186,324	184,699	186,212	184,879	112	420	99.9%	99.6%	758	958	16,255	16,162
Overnite Transportation Company	7,358	7,743	543,125	529,742	472,079	445,870	71,046	84,644	86.9%	84.0%	1,882	1,894	26,456	26,630
Parsons, G.G., Trucking Co.	336	136	8,396	7,738	8,185	7,523	291	215	96.5%	97.2%	93	81	1,872	1,779
Pioneer Transportation Systems, Inc.	0	0	39,450	39,213	38,930	38,417	720	796	98.2%	98.0%	6	12	95	178
Ploof Truck Lines, Inc.	3,790	2,702	36,045	36,494	30,650	30,048	5,395	6,446	85.0%	82.3%	55	65	988	1,187
Pony Express Courier Corporation	10,898	9,965	112,476	107,749	112,188	110,904	288	(3,155)	99.7%	102.9%	325	560	6,384	5,281
Purolator Courier Corporation	1,892	1,817	418,583	444,811	473,520	517,693	(54,937)	(72,882)	113.1%	116.4%	181	230	2,474	3,190
Quality Carriers, Inc.	90	129	37,111	39,816	35,779	37,991	1,332	1,825	96.4%	95.4%	2	0	98	0
Redwing Carriers, Inc.	0	0	31,320	29,480	30,687	28,389	633	91	98.0%	99.7%	0	0	0	0

FIGURE NO. 9-1 CONTINUED

Motor Freight Carriers--Class I
Grouped By Major Type of Products Transported
Calendar Years 1987 and 1986
(Dollars in 000s)

CLASS I	NORTH CAROLINA		TOTAL COMPANY DATA								NORTH CAROLINA			
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number of Employees		Total Salaries Paid	
General Freight Carriers:	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986
Roberts Express, Inc.	$12	$52	$54,557	$41,103	$47,773	$37,086	$6,784	$4,017	87.6%	90.2%	30	15	$390	$269
Santee Carriers, Inc.	380	566	16,193	16,654	16,232	16,219	(39)	435	100.2%	97.4%	46	48	865	945
Schuerman Trucking Company	6	N/A	43,687	45,890	41,525	43,449	2,162	2,449	95.1%	94.7%	4	N/A	105	N/A
Sean Trucking Company	0	0	19,106	18,245	18,482	17,804	624	1,241	96.7%	93.2%	N/A	N/A	N/A	N/A
SilverEagle Transport, Inc.	0	6	15,221 (B)	3,948	15,421	4,048	(200)	(100)	101.3%	102.7%	0	0	0	0
Skyline Transportation, Inc.	59	53	7,909	6,942	7,683	6,704	226	238	97.1%	96.6%	24	25	618	570
Smith, Aaron, Trucking Company, Inc.	862	950	6,628	6,846	6,605	6,755	23	91	99.7%	98.7%	112	142	1,287	1,368
Southeastern Freight Lines	6,021	4,291	104,082 (B)	88,683	98,136	78,896	5,946	9,787	94.3%	89.0%	425	348	13,065	10,273
Spartan Express, Inc.	2,198	1,636	62,475	58,352	69,110	51,135	(6,635)	(783)	110.6%	101.6%	292	255	7,319	6,170
Standard Trucking Company	13,256	9,345	38,837	47,316	40,736	49,081	(1,899)	(1,765)	104.9%	103.7%	479	527	12,724	14,068
Star Freight, Inc.	2,336	326	8,055	5,709 (A)	7,046	5,756	209	33	97.4%	99.4%	18	12	320	274
Stevens Freight Service, Inc.	3,163	2,466	19,865	13,415 (A)	19,872	13,235	(7)	180	100.0%	98.7%	35	37	874	623
TNT Pilot, Inc.	1,493	0	167,099	101,117	189,089	105,686	(21,918)	(4,569)	113.1%	102.5%	1,117	1,172	32,118	33,497
TSC Express Company	170	339	16,955	16,458 (A)	16,788	15,357	167	1,093	99.0%	93.4%	15	11	277	221
Terminal Trucking Company, Inc.	5,710	6,610	8,559	7,686	6,177	4,829	2,382	2,857	72.2%	62.8%	145	130	3,865	2,587
Thomas, R. P., Trucking Company, Inc.	0	0	5,843	5,698 (A)	5,542	5,181	301	517	94.8%	90.9%	0	0	0	0
Thurston Motor Lines, Inc.	5,287	6,560	136,592	143,783	152,977	144,079	(16,385)	(376)	112.0%	100.3%	1,251	1,250	27,326	28,874
Transport Service Company	255	210	28,363	23,685	25,968	21,864	2,395	1,741	91.6%	92.6%	5	6	97	139
Tri-State Motor Transit Company	141	213	185,185	115,736	185,229	110,318	(2,044)	5,418	102.0%	95.3%	5	4	120	113
UTF Carriers, Inc.	0	0	9,963	9,181	9,968	9,385	(5)	(204)	100.1%	102.2%	0	0	0	0
Underwood & Weld Company, Inc.	15	34	8,744	7,379	8,448	7,061	304	318	96.5%	95.7%	110	84	2,401	2,105
United Parcel Service, Inc.	34,196	30,696	5,820,293	5,334,812	5,490,187	4,771,556	330,106	563,256	94.3%	89.4%	2,405	2,191	117,183	104,752
Vance Trucking Company	402	385	6,229 (B)	5,820	6,126	5,496	103	324	98.3%	94.4%	78	75	416	95
Ward Trucking Corporation	60	4	37,911	36,922 (A)	39,778	36,027	(1,867)	895	104.9%	97.6%	21	20	777	620
Watkins Motor Lines, Inc.	30	0	145,886	126,193	139,323	120,945	6,483	5,248	95.6%	95.8%	187	181	5,854	5,253
West Point Pepperell Transportation Company	1,229	1,804	27,890	23,839	21,732	17,990	6,158	5,849	77.9%	75.5%	37	23	1,029	672
Williamson Truck Lines, Inc.	0	0	5,791	5,819	5,782	5,742	9	77	99.8%	98.7%	94	94	1,491	1,460
Wilson Trucking Corporation	3,140	2,459	55,456	51,767	48,812	44,806	6,644	6,961	88.0%	86.6%	252	238	6,779	6,865
Youngblood Truck Lines	0	0	19,267	21,849	19,818	18,858	(551)	2,191	102.9%	89.6%	159	161	4,318	3,462
Total	$210,556	$176,154	$14,996,649	$14,138,810	$14,413,983	$13,156,356	$582,746	$974,454	96.1%	93.1%	21,044	21,212	$680,315	$569,168
Grand Total	$213,227	$178,206	$15,482,475	$14,599,529	$14,879,553	$13,593,371	$602,922	$1,006,149	96.1%	93.1%	22,488	21,719	$621,304	$579,980

N/A = Not available

(A) Partial year of operations
(B) Change in scope of operations

Grand Total Class I Motor
Freight Carriers for:
1987 = 168
1986 = 165

FIGURE NO. 9-2

Motor Freight Carriers--Class II
Grouped By Major Type of Products Transported
Calendar Years 1987 and 1986
(Dollars in 000s)

CLASS II	NORTH CAROLINA		TOTAL COMPANY DATA								NORTH CAROLINA			
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number Of Employees		Total Salaries Paid	
Household Goods Carriers:	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986
Action Moving & Storage, Inc.	$182	$185	$2,060	$1,692	$2,005	$1,600	$63	$92	97.0%	94.6%	61	65	$409	$430
Admiral Transportation Services	990	160	1,002	1,719	1,672	845	130	874	92.0%	49.2%	37	35	426	594
Airway Moving & Storage, Inc.	143	125	2,671	2,666	2,629	2,563	42	103	98.4%	96.1%	63	67	926	850
Duncan's Transfer & Storage Company, Inc.	235	213	1,371	1,292	1,356	1,266	15	26	98.9%	98.0%	37	35	607	567
Carolina Moving & Storage, Inc.	146	121	1,627	1,755	003	1,144	024	611	49.4%	65.2%	35	53	672	072
Charlotte Van & Storage Company, Inc.	1,570	236	2,712	2,435	2,761	2,501	(49)	(146)	101.0%	106.0%	62	61	1,303	1,200
City Transfer and Storage Company	232	270	1,912	1,969	1,007	1,902	105	67	94.5%	96.6%	55	50	700	900
Clark Transfer Company, Inc.	93	90	1,503	1,236	1,473	1,241	30	(5)	90.0%	100.4%	37	35	413	402
DeHaven's Transfer & Storage, Inc.	55	50	1,243	1,395	1,075	1,269	160	126	06.5%	91.0%	40	50	563	666
Fayetteville Moving & Storage, Inc.	70	51	1,394	1,353	1,301	1,147	93	206	93.3%	04.0%	10	10	199	207
Fleming, J. Clint, Inc.	47	46	2,504	2,150	2,526	2,094	50	64	97.0%	97.0%	6	4	119	74
Horne Storage Company, Inc.	150	103	1,514	1,603	1,401	1,640	33	43	97.0%	97.4%	31	32	402	697
Jackson Moving & Storage Company, Inc.	319	350	1,000	1,101	1,057	1,004	23	17	97.9%	90.5%	25	23	379	301
Martin Transfer & Storage	304	239	1,605	1,077	1,701	1,092	(96)	(15)	105.7%	100.0%	50	50	604	762
Modern Moving & Storage, Inc.	52	70	930	1,019	924	1,004	6	15	99.4%	90.5%	22	21	294	301
Piedmont Movers, Inc.	227	191	1,021	1,209	934	967	07	242	91.5%	00.0%	9	11	163	125
Ray Moving & Storage, Inc.	197	209	1,365	1,224	1,299	1,313	66	(09)	95.2%	107.3%	15	22	307	464
Smith, W.R., Storage Warehouse, Inc.	256	26	1,015	993	1,031	1,114	(16)	(121)	100.9%	112.2%	52	52	700	730
Tru-Pak Moving & Storage, Inc.	96	04	4,596	4,259	3,400	3,279	1,196	900	74.0%	77.0%	75	50	N/A	059
United Merchants Trucking, Inc.	60	37	3,413	3,560	3,397	3,006	16	402	99.5%	06.5%	41	30	1,239	1,200
Washburn Storage Company	70	169	999	2,410	1,152	2,632	(153)	(222)	115.3%	109.2%	4	3	69	09
Weathers Brothers Transfer Co. of N.C.	0	0	1,729	1,749	1,659	1,726	70	23	96.0%	90.7%	04	100	670	790
Wooldridge, J.C., Inc.	13	22	2,209	2,065	2,224	1,953	25	112	90.9%	94.6%	0	0	0	0
Young Moving & Storage, Inc.	130	07	3,904	3,046	4,000	3,039	(16)	7	100.4%	99.0%	15	20	251	227
Total	$5,661	$3,070	$47,267	$46,673	$44,547	$43,101	$2,720	$3,492	94.2%	92.5%	054	095	$12,103	$13,691
General Freight Carriers:														
Air Cargo Services, Inc.	$64	$23	$2,302	$2,773	$2,650	$2,062	($276)	($09)	111.6%	103.2%	60	60	9932	$1,294
American Parcel Service, Inc.	562	544	1,195	1,093	1,153	1,066	42	27	96.5%	97.5%	3	2	06	49
Barnett Truck Line, Inc.	257	041	1,646	1,534	1,724	1,571	(70)	(37)	104.7%	102.4%	33	33	540	514
Blue Ridge Trucking Company	1,307	602	3,942	4,013	4,054	3,997	(112)	16	102.0%	99.6%	69	05	1,930	2,176
Building Systems Transportation, Inc.	14	12	4,354	3,924	4,267	3,064	07	60	90.0%	90.5%	0	0	0	0
Bunch Trucking Company, Inc.	606	646	1,960	1,074	1,976	1,050	(0)	16	100.4%	99.1%	20	32	407	490
Burgess Transport, Inc.	249	190	4,271	3,446 (A)	4,257	3,140	14	306	99.7%	91.1%	32	30	012	602
Byrum, A.T. & Son, Inc.	150	144	2,534	2,510	2,469	2,461	65	57	97.4%	97.7%	31	33	615	609

FIGURE NO. 9-2 CONTINUED

Motor Freight Carriers--Class II
Grouped By Major Type of Products Transported
Calendar Years 1987 and 1986
(Dollars in 000s)

CLASS II	NORTH CAROLINA		TOTAL COMPANY DATA								NORTH CAROLINA			
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number Of Employees		Total Salaries Paid	
General Freight Carriers:	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986
CFI Transport, Inc.	$79	$56	$3,768	$3,484	$3,195	$3,371	$573	$113	84.8%	96.8%	32	34	$850	$862
Camp Trucking, Inc.	0	0	1,822	1,670	1,086	961	736	717	59.6%	57.3%	22	22	465	453
Cargo Transporters, Inc.	141	97	6,556 (B)	5,104	6,368	5,088	188	104	97.1%	98.0%	130	59	1,851	1,414
Cargocare Transportation Company	325	243	2,334	2,356	2,258	2,272	76	84	96.7%	96.4%	9	9	191	191
Carolina Carriers, Inc.	1,057	1,131	1,057	1,131	1,088	1,110	(31)	21	102.9%	98.1%	11	14	242	263
Carolina Tank Lines, Inc.	288	352	3,321	2,327	3,279	2,166	42	161	98.7%	93.1%	37	22	729	422
Carrier Freight Lines, Inc.	19	15	7,035	4,449	7,446	4,326	(411)	123	105.8%	97.2%	102	65	2,512	1,416
Carroll's Transfer, Inc.	5	6	1,291	1,684	1,297	1,657	(6)	27	100.5%	98.4%	18	22	373	419
Carter, Robahlee	1,404	N/A	1,404	1,454	1,532	1,589	(128)	(135)	109.1%	109.3%	22	28	204	185
Cary Oil Company, Inc.	2,417	2,295	2,452	2,310	2,202	2,004	250	306	89.8%	86.8%	56	50	2,217	2,250
Coastal Transport, Inc.	2,435	2,469	2,702	2,857	2,635	2,809	67	48	97.5%	98.3%	30	29	675	685
Commercial Courier Express, Inc.	3,736	3,486	8,776	6,205	7,415	4,854	1,361	1,351	84.5%	78.2%	199	138	2,290	1,520
Continental Freight Systems, Inc.	0	0	2,870	1,319	2,831	1,313	39	6	98.1%	99.5%	0	0	0	0
Cooke Trucking Company, Inc.	0	0	3,991	3,700	3,854	2,967	127	733	96.8%	80.2%	70	59	952	670
Cox Trucking	388	334	2,127	2,055	2,176	2,052	(49)	3	102.3%	99.9%	32	29	635	559
Custom Transport, Inc.	1,404	1,033	6,673	5,657	6,093	4,948	580	709	91.3%	87.5%	89	90	2,876	1,946
D & L Leasing & Diesel, Inc.	890	778	3,888	3,243	3,530	3,027	270	216	92.7%	93.3%	49	42	1,557	1,128
D & L Trucking, Inc.	1,687	1,587	2,834	3,262	2,551	3,124	283	138	90.0%	95.8%	54	55	1,831	1,186
Dairy Leasing Service, Inc.	0	N/A	2,501	2,953	2,740	2,982	(239)	(29)	109.6%	101.0%	26	35	552	569
Davie Truckers, Inc.	1,686	1,440	3,170	3,185	3,249	3,175	(79)	10	102.5%	99.7%	31	24	628	556
Dedman, A.V., Trucking, Inc.	219	201	1,659	1,477	1,571	1,373	88	104	94.7%	93.0%	20	25	536	521
Dependable Tank Lines, Inc.	137	115	2,417	1,998	2,218	1,933	199	65	91.8%	96.7%	14	10	298	169
Dew Transport Company	413	1,296	530 (B)	1,392	420	1,299	110	93	79.6%	93.3%	5	5	150	127
East Coast Transport Company, Inc.	1,066	1,883	1,819	1,883	1,726	1,678	93	185	94.9%	90.2%	32	29	579	588
Eastern Motor Lines, Inc.	0	0	3,212	3,159	3,093	2,993	119	166	96.3%	94.7%	4	4	155	250
Edmac Trucking Company, Inc.	452	364	2,259	1,758	2,210	1,688	49	70	97.8%	95.6%	40	35	643	533
Electronic Express, Inc.	84	0	1,556	1,242 (A)	1,539	1,194	17	48	98.9%	96.1%	3	N/A	82	13
Everette Express, Inc.	107	87	2,951	2,872	2,952	2,898	(1)	(26)	100.0%	100.9%	25	21	411	450
Everette Truck Line, Inc.	15	3	3,737	4,069	4,271	4,096	(534)	(27)	114.3%	100.7%	57	32	456	506
Ezzell Trucking, Inc.	470	464	3,997	3,185	3,837	2,473	960	712	76.8%	77.6%	42	33	874	668
Fanelli Bros. Trucking Company	0	0	4,662	2,340	4,648	2,436	22	(96)	99.5%	104.1%	0	0	0	0
First American Carriers, Inc.	1,382	N/A	13,815 (B)	4,920	15,040	6,967	(1,225)	(2,047)	108.9%	141.6%	96	4	2,877	111
Forbes Refrigerated Transport, Inc.	28	24	1,183	1,171	1,062	1,116	41	55	96.3%	95.3%	13	12	265	275
Gallimore, D.P. and Sons, Inc.	0	0	3,583	3,693	3,365	3,507	218	186	93.9%	95.0%	47	47	N/A	N/A
Groves, F.M., Trucking Company	415	635	2,082	2,094	2,081	2,079	1	15	100.0%	99.3%	33	32	560	570
H & S Truck Service of Aboskie, Inc.	21	0	943	1,213	910	1,152	33	61	96.5%	95.0%	21	24	312	362
HFCS Transport Company, Inc.	855	1,026	3,636	3,643	2,899	3,052	737	591	79.7%	83.8%	35	30	932	868
Harper Trucking Co., Inc.	2,609	2,562	2,952	2,840	2,632	2,519	320	321	89.2%	88.7%	56	56	1,320	1,415
Harrell, R.O., Inc.	475	290	2,029	1,606	1,927	1,522	102	84	95.0%	94.8%	0	0	0	0
Henry, C.S., Transfer, Inc.	48	86	3,904	4,389	3,673	4,053	131	336	96.6%	92.3%	71	71	1,347	1,489
Heritage Transport, Inc.	424	4,956	6,814	4,992	4,787	2,934	1,387	2,058	78.3%	58.8%	3	1	68	39
Highland Transport, Inc.	0	0	1,293 (A)	1,682	1,127	1,423	166	259	87.2%	84.6%	16	18	464	547
Howell's Motor Freight, Inc.	65	65	8,186	7,710	7,768	7,248	338	462	95.8%	94.0%	95	92	1,458	1,332

FIGURE NO. 9-2 CONTINUED

Motor Freight Carriers--Class II
Grouped By Major Type of Products Transported
Calendar Years 1987 and 1986
(Dollars in 000s)

CLASS II	NORTH CAROLINA		TOTAL COMPANY DATA								NORTH CAROLINA			
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number Of Employees		Total Salaries Paid	
General Freight Carriers:	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986
Huck's Piggyback Service, Inc.	$104	$38	$2,072	$1,733	$2,063	$1,612	$9	$121	99.6%	93.0%	26	27	$706	$615
Kennedy Freight Lines, Inc.	294	300	1,917	2,311	2,052	2,303	(135)	8	107.0%	99.7%	15	10	207	197
Kegler, George W., Inc.	0	0	2,072	2,263	2,060	2,208	12	55	99.4%	97.6%	0	0	0	0
Lewis Truck Lines, Inc.	59	14	2,939	2,270	3,117	2,355	(178)	(85)	106.1%	103.7%	0	0	0	0
Lisk, Howard, Inc.	998	899	5,166 (B)	4,330	4,910	4,189	256	141	95.0%	96.7%	65	57	1,507	1,294
Louisiana-Pacific Trucking Company	71	66	1,693	2,546	1,525	2,356	168	190	90.1%	92.5%	0	0	0	0
MCO Transport, Inc.	1,241	1,182	6,832	4,520	6,088	4,441	24	87	99.6%	98.1%	49	41	960	783
Martin Motor Lines, Inc.	1,169	1,191	1,449	1,511	1,443	1,473	6	38	99.6%	97.5%	36	36	734	793
McClellan Truck Lines	22	21	3,090	3,373	3,706	3,340	184	33	95.3%	99.0%	0	0	0	0
McLaurin Trucking Company	2,458	0	3,045	3,732	3,938	3,654	(93)	78	102.4%	97.9%	50	41	867	716
Merchants Transport of Hickory, Inc.	524	488	1,387	1,424	1,368	1,408	19	24	98.6%	98.3%	0	0	0	0
Merritt Trucking Company, Inc.	3,238	1,482	4,366 (B)	4,234	4,222	3,898	144	336	96.7%	92.1%	79	75	1,462	1,299
Nationwide Horse Carriers, Inc.	0	0	611	2,024	316	2,231	295	(207)	51.7%	110.2%	0	0	0	0
North State Motor Lines, Inc.	441	391	2,893	3,082	2,791	3,017	102	65	96.5%	97.9%	43	56	664	688
Oliver Trucking Company, Inc.	0	0	5,016	4,987	4,629	4,716	387	191	92.3%	96.1%	0	0	0	0
Piedmont Fuel & Distributing Company, Inc.	815	735	999	1,051	966	995	33	56	96.7%	94.7%	27	27	647	640
Pioneer Trucking Company, Inc.	10	32	1,484	1,555	1,479	1,521	5	34	99.7%	97.8%	28	29	495	515
Pitt County Transportation, Inc.	387	297	3,447	3,778	3,185	3,577	262	201	92.4%	94.7%	48	47	883	891
Postoasters, Inc.	1,223	1	8,752 (B)	3,220	16,083	7,704	(7,251)	(4,564)	182.8%	241.7%	45	34	578	31
Raeford Trucking Company	4,145	3,541	4,268	3,640 (A)	4,237	3,649	31	(9)	99.3%	100.2%	8	7	166	142
Reliable Tank Line	1,723	1,677	1,888	1,824	1,547	1,414	341	410	81.9%	77.5%	29	32	636	591
Robin Hood Container Express, Inc.	0	0	1,525	1,153 (A)	1,505	1,134	20	19	98.7%	98.4%	6	5	64	64
Rocket Express, Inc.	132	124	1,317	1,239	1,272	1,238	45	1	96.6%	99.9%	34	30	411	371
Rothrock, J.L., Inc.	0	0	3,283	3,120	3,246	3,023	37	97	98.9%	96.9%	76	75	1,330	1,232
S & S Trucking Company	22	13	1,348	1,621	1,305	1,503	43	118	96.8%	92.7%	25	26	426	468
S & W Motor Lines, Inc.	0	71	894	1,023	1,319	1,285	(425)	(262)	147.5%	125.6%	24	36	392	538
Saleo Carriers, Inc.	782	577	3,117 (B)	2,294	2,889	2,053	228	241	92.7%	89.5%	45	37	844	617
Security Storage Company, Inc.	220	197	2,687	2,425	2,530	2,353	77	72	97.0%	97.0%	48	54	738	620
Sherman & Boddie, Inc.	350	406	2,153	1,942	1,855	1,490	298	452	86.2%	76.7%	29	33	650	592
Smith Transfer Company, Inc.	42	21	4,187	2,148	4,174	2,159	13	(11)	99.7%	100.5%	22	19	346	388
Southern Oil Transportation Company, Inc.	904	1,072	904	1,072	936	1,029	(32)	43	103.5%	96.0%	20	35	413	461
Stacy, D.B., Company, Inc.	0	0	2,681	2,478	2,670	2,475	11	3	99.6%	99.9%	0	0	0	0
Stegall T.G., Trucking Company	0	0	29,488	21,930	30,160	21,786	(672)	144	102.3%	99.3%	48	47	851	797
Swing Transport, Inc.	2,238	2,488	6,314	5,892	5,706	5,383	608	509	90.4%	91.4%	87	74	1,882	1,692
Tidewater Transit Company, Inc.	2,882	1,397	5,587 (B)	4,816	4,731	3,540	776	476	85.9%	80.1%	66	54	1,575	1,216
Topco Enterprises, Inc.	394	695	5,673	4,636 (A)	6,629	4,671	(956)	(35)	116.9%	100.8%	58	48	1,168	833
Transport South, Inc.	320	258	7,390	6,349	7,290	5,037	100	1,312	98.6%	79.3%	3	4	95	67
Turner, Guy H., Inc.	148	236	999	1,680	962	1,519	37	161	96.3%	90.4%	75	75	250	250
2000 Corporation	624	790	1,469	1,490	1,536	1,464	(67)	26	104.6%	98.3%	21	21	494	471
USA Eastern Freight, Inc.	1,883	1,218	9,371	8,487	11,661	10,510	(2,290)	(2,023)	124.4%	123.8%	159	191	3,667	2,643
Unique Express, Inc.	826	1,317	2,066	2,196	2,161	2,035	(95)	161	104.6%	92.7%	21	21	698	611
Wallace Trucking Company	107	63	1,711	1,809	2,530	2,369	(819)	(560)	147.9%	131.0%	34	32	726	696
Wally Service Company, Inc.	93	753	1,613	1,255 (A)	1,536	1,200	77	55	95.2%	95.6%	6	7	77	54

FIGURE NO. 9-2 CONTINUED

Motor Freight Carriers--Class II
Grouped By Major Type of Products Transported
Calendar Years 1987 and 1986
(Dollars in 000s)

CLASS II	NORTH CAROLINA		TOTAL COMPANY DATA								NORTH CAROLINA			
MOTOR FREIGHT CARRIERS	Regulated Revenues		Revenues		Expenses		Net Operating Income		Operating Ratios		Average Number Of Employees		Total Salaries Paid	
General Freight Carriers:	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986
Warren Transportation Inc. of Va.	$38	$0	$6,049	$4,760 (A)	$5,847	$4,529	$202	$232	96.7%	95.1%	5	0	$71	$0
Wendell Transport Corporation	2,232	1,959	2,772 (B)	2,543	2,446	2,230	326	313	88.2%	87.7%	44	37	992	881
West Brothers Moving & Storage	4,160	1,625	4,491 (B)	2,451	4,285	2,426	206	25	95.4%	99.0%	110	91	1,890	1,292
Wicker Services, Inc.	1,379	1,059	1,915	1,501	1,907	1,451	8	50	99.6%	96.7%	30	23	879	752
Widenhouse, A.C., Inc.	3,790	3,836	3,958	3,155	3,482	2,831	476	324	88.0%	89.7%	76	67	1,520	1,298
Williams Cartage Company, Inc.	309	1,275	3,275	3,766	2,368	3,973	907	(207)	72.3%	105.5%	10	17	210	419
Worsley Transport, Inc.	1,589	932	2,208	2,326	2,198	1,874	10	452	99.5%	80.6%	35	33	716	647
Yarbrough Transfer Company	561	582	2,653	2,366	2,401	2,152	252	214	90.5%	91.0%	36	33	763	772
Yeary Transfer Co., Inc.	58	59	1,112	839	1,086	851	26	(12)	97.7%	101.4%	0	0	0	0
Yelton Trucking Company, Inc.	99	128	1,337	1,339	N/A	1,272	N/A	67	N/A	95.0%	0	6	106	123
Total	$74,615	$67,127	$361,714	$311,553	$359,647	$303,148	$2,067	$8,405	99.4%	97.3%	3,816	3,432	$73,431	$62,681
Grand Total	$80,276	$70,197	$400,981	$350,226	$404,194	$346,329	$4,787	$11,897	98.8%	96.7%	4,670	4,327	$85,534	$76,292

N/A--Not Available

(A) Partial year of operations
(B) Change in scope of operations

Grand Total Class II Motor
Freight Carriers for:
1987 = 135
1986 = 120

FIGURE 9-3

CLASS I & II MOTOR FREIGHT CARRIERS--AUTHORITY GRANTED IN 1987
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
(DOLLARS IN 000s)

CLASS I	NORTH CAROLINA	TOTAL COMPANY DATA				NORTH CAROLINA	
GENERAL FREIGHT CARRIERS:	Regulated Revenues	Revenues	Expenses	Net Operating Income	Operating Ratios	Average Number Of Employees	Total Salaries Paid
Atlanta Motor Lines, Inc.	N/A	$20,501	$19,518	$983	95.2%	38	759
Belue Trucking	7	6,252	6,066	186	97.0%	8	119
CMM Transportation, Inc.	232	8,456	6,540	1,916	77.3%	0	0
Frito-Lay, Inc.	0	6,192	4,335	1,857	70.0%	1,698	38,830
G & P Trucking Company, Inc.	180	10,996	10,292	704	93.6%	13	304
Great Coastal Express, Inc.	2,853	35,179	31,994	3,185	90.9%	40	1,070
Hornady Truck Line, Inc.	803	16,728	15,375	1,353	91.9%	0	0
Keystone Freight Corporation	619	24,049	21,449	2,600	89.2%	25	596
Koch Service, Inc.	169	88,059	74,115	13,944	84.2%	3	66
Mawson & Mawson, Inc.	0	14,888	14,477	411	97.2%	0	0
Ryder Distribution Resources, Inc.	1,116	206,462	202,541	3,921	98.1%	30	391
Ryder Temperature Controlled Carriage, Inc.	36	53,722	53,959	(237)	100.4%	18	376
Sooner Transport Corporation	150	33,725	35,526	(1,801)	105.3%	166	3,550
Transus, Inc.	0	75,437	81,892	(6,455)	108.6%	91	1,931
Wingate Taylor-Maid Transportation	86	56,275	53,037	3,238	94.2%	71	1,538
Total Class I(15)	$6,251	$656,921	$631,116	$25,805	96.1%	2,201	49,526
CLASS II							
GENERAL FREIGHT CARRIERS:							
Ard's Trucking Company, Inc.	$556	$4,685	$4,751	($66)	101.4%	0	0
Carl Messenger Service, Inc.	0	5,561	5,189	372	93.3%	0	0
Con-Way Southern Express, Inc.	897	5,724	12,230	(6,506)	213.7%	83	2,551
Dobson Trucking, Inc.	2	2,424	2,441	(17)	100.7%	35	647
Goggin Truck Line Company, Inc.	319	4,650	4,553	97	97.9%	12	182
Jump Transportation Services	924	2,255	2,120	135	94.0%	23	314
Southwestern Freight Carriers, Inc.	0	4,885	4,793	92	98.1%	26	704
Total Class II(7)	$2,698	$30,184	$36,077	($5,893)	119.5%	179	$4,398
Grand Total(22)	$8,949	$687,105	$667,193	$19,912	97.1%	2,380	$53,924

FIGURE NO. 9-4

MOTOR FREIGHT CARRIERS--CLASS I AND II
SUMMARY OF SELECTED DATA--INCOME, EXPENSES, AND STATISTICAL ITEMS
FOR THE CALENDAR YEARS 1986 AND 1987
(DOLLARS IN 000s)

	1986	1987	% Change More(Less) 1986-1987
CLASS I CARRIERS			
Number of Companies Included in this Data	145	160	10.3 %
North Carolina Regulated Revenues	$178,206	$219,478	23.2 %
Operating Data (Systemwide):			
Operating Revenues	$14,599,520	$16,139,396	10.5 %
Operating Expenses	$13,593,371	$15,510,669	14.1 %
Net Operating Income	$1,006,149	$628,727	(37.5)%
Operating Ratio (Percent)	93.1	96.1	3.2 %
Statistics (N.C. Data Only):			
Average Number of Employees (Actual)	21,719	24,681	13.6 %
Total Salaries Paid ($-000s)	$579,980	$670,830	15.7 %
CLASS II CARRIERS			
Number of Companies Included in this Data	120	135	5.5 %
North Carolina Regulated Revenues	$70,197	$82,974	18.2 %
Operating Data (Systemwide):			
Operating Revenues	$358,226	$439,165	22.6 %
Operating Expenses	$346,329	$440,271	27.1 %
Net Operating Income	$11,897	($1,106)	(109.3)%
Operating Ratio (Percent)	96.7	100.3	3.7 %
Statistics (N.C. Data Only):			
Average Number of Employees (Actual)	4,327	4,849	12.1 %
Total Salaries Paid ($-000s)	$76,292	$89,932	17.9 %
GRAND TOTALS CLASSES I & II			
Number of Companies Included in this Data	273	295	8.1 %
North Carolina Regulated Revenues	$248,403	$302,452	21.8 %
Operating Data (Systemwide):			
Operating Revenues	$14,957,746	$16,578,561	10.8 %
Operating Expenses	$13,939,700	$15,950,940	14.4 %
Net Operating Income	$1,018,046	$627,621	(38.4)%
Operating Ratio (Percent)	93.2	96.2	3.2 %
Statistics (N.C. Data Only):			
Average Number of Employees (Actual)	26,046	29,530	13.4 %
Total Salaries Paid ($-000s)	$656,272	$760,762	15.9 %

The number of carriers in each classification changes each year because of the companies' growth in revenue and the changes every few years in the level of revenues required to qualify for the Class I and II classifications. Therefore, the use of this data for comparative purposes must be used with discretion.

FIGURE NO. 9-5
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1987 AND 1986
(ACTUAL DOLLARS)

Mobile Home Movers:	TOTAL COMPANY REVENUE 1987	1986
ACE Transport, Ltd.	$1,003,975	$1,113,207
Action Freight Lines, Inc.	3,760	4,500
Alfred's Mobile Home Movers	93,828	77,422
Atlantis Transporters	12,669	6,780
B & B Movers, Inc.	117,370	61,731
Barbour Mobile Home Movers & Service	97,446	82,158
Barnett's Mobile Home Movers	8,009	5,837
Bass Mobile Home Moving	79,459	71,405
Billy's Home Service	286,170	99,119
Bob's Mobile Home Transport & Service	101,679	109,043
Border's Mobile Home Movers	40,772	50,891
Bradly, Bill B.	52,317	51,888
Brafford, Boyd W., Jr.	73,639	89,207
Bryant, Billy, Trailer Moving	71,280	65,888
Bryant's Trailer Convoy	74,360	60,159
Bullock, Richard Edwin	5,960	8,935
Butler Mobile Home Movers	18,280	48,828
Canipe's Wrecker Service & Mobile Home Movers	3,840	3,720
Cantrell, Charles, Assoc., Inc.	115	215
Carrolls Mobile Home Transport	63,240	64,630
Carteret Mobile Home Movers	22,500	24,624
Cecil's Mobile Home Service	80,000	74,255
Chambers Mobile Home Movers	17,667	10,557
Coats, Lewis C.	131,617	173,100
Cockerham, Wallace, Towing, Inc.	67,819	32,040
Coley's Welding Service	11,886	14,141
Council's Mobile Movers, Inc.	29,433	31,332
Cox's Mobile Home Movers	7,683	0
Davidson, R.	268,051	328,573
Davis Mobile Home Movers	364,247	344,073
Davis, W.L., Mobile Home Movers	71,597	25,665
Deerwood Transport, Inc.	650,186	704,897
Delivery Services, Inc.	76,180	97,050
Denver Mobile Home Moving	100,000	95,444
Ed's Mobile Home Movers	20,119	490
Ed's Used Cars	1,662 (A)	42,081
Emerson, Phillip M.	28,333	6,465
Eric's Mobile Home Service	6,625	22,314
Evans, Donald, Mobile Home Movers, Inc.	335,432	48,843
Frady, James Woodrow	48,760	35,328
Frank's Mobile Home Movers	18,642	16,749
Gilbert, Jimmy	9,180	8,800
Grandpap Mobile Home Service	150,912	106,887
Hall's Mobile Home Movers	14,723	14,888
Henrick, J. Austin	13,608	7,282
Harris Mobile Home Movers	3,500	750

FIGURE NO. 9-5 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1987 AND 1986
(ACTUAL DOLLARS)

Mobile Home Movers:	TOTAL COMPANY REVENUE 1987	1986
Helms Mobile Home Towing	$49,343	$0
Herman, Ray L.	27,195	22,171
Herring Mobile Home Movers	14,794	5,814
J. & D. Mobile Home Service	13,300	0
Jack's Mobile Home Service	12,510	23,149
Jay's Mobile Home Moving & Repair Service	26,086	4,670 (A)
Jerry's Mobile Home Service & Movers	68,389	0
Johnny Mobile Home Service of Asheville	49,054	18,526
Johnson Mobile Home Service	15,930	18,103
Johnson, Jerry, Mobile Home Movers	3,760	3,383
Joyful Homes, Inc.	19,200	18,000
L. B. Transport, Inc.	10,760	6,078
Lamb's Mobile Home Movers	14,083	15,350
Laughinghouse, Charles C., Mobile Home Movers	260,272	164,986
Lee Mobile Home Service	23,686	12,500
Lewis, Joe, Mobile Home Moving & Service, Inc.	247,510	66,870
Lorraine Transporters	12,241	15,103
Lower Creek Mobile Homes	28,920	21,560
Lynn, Garland, Mobile Home Movers	82,133	87,508
M & M Movers	20,482	24,398
McCreary's Mobile Home Towing	30,400	31,855
McLaurin's Mobile Home Service	14,360	15,625
McMahan Mobile Home Movers	116,541	113,309
Maness, Walter Clyde	1,000	3,600
Master Mobile Home Movers, Inc.	83,833	60,836
Minton, Edwin	40,425	44,941
Mobile Home Movers, Alan McChesney Brown	35,175	26,500
Mobile Home Sales & Repair	122,233	134,021
Mobile Maintenance, Inc.	43,270	30,913
Moncure, Henry, Motors, Inc.	271	516
Moore's Mobile Manor and Service	69,584	84,930
P & G, Inc.	80,000	267,365
Patterson, Ralph E.	600	1,010
Paul, Charles Furney	39,600	88,415
Person's Mobile Home Movers	75,991	96,534
Piedmont Mobile Home Movers	6,000	10,000
Pinebluff Mobile Home Park	4,333	6,275
Pippin, Herbert Joel	71,970	19,057
Pop's Trailer Towing Co., Inc.	333,842	178,665
Potter's Mobile Home Service	27,013	33,696
Price, Harold Hazton, Mobile Home Movers	13,300	14,200
Quality Mobile Home Sales of Godwin	15,558	5,237
R. W. Mobile Home Movers	69,312	65,418
Ratley's Mobile Home Sale & Service	6,102	5,344
Rice's Mobile Home Service	6,178	6,850
Ridgeway Mobile Home Transporters, Inc.	14,532	0 (A)

FIGURE NO. 9-5 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1987 AND 1986
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
Mobile Home Movers:	1987	1986
Riverside Mobile Home Movers	$20,698	$64,263
Ronald's Trailer Transport	63,513	69,465
S & H Mobile Home Movers	55,250	0
S & M Mobile Home Movers	10,680	5,460
Sloop Welding Service	70,355	60,785
Smith, Larry M., Trucking Inc.	14,797	13,062
South West Mobile Home Transport	14,479	23,375
Southern Mobile Home Services, Inc.	51,816	60,466
Spruill, Morgan Arlington	92,902	45,676
Statewide Mobile Home Movers	6,200	950
Starling's Mobile Home Service	17,500	6,453
Stevenson, R.L.	9,503	6,099
T & M Mobile Home Movers, Inc.	130,980	87,229
Tarheel Wheel & Axle, Inc.	151,721	177,184
Tom's Mobile Homes	4,758	7,529
Upchurch Mobile Home Service & Transporting Co.	7,983	6,113
Village Homes of the Pamlico, Inc.	5,162	4,639
Ward's Mobile Home Service	10,227	0
Williamson Mobile Home Transit	18,105	24,690
Wilson Enterprises, Inc.	199,880	192,377
Wingler Mobile Home Moving	59,576	14,791
Wood Mobile Home Movers	10,600	6,400
Total	$7,898,288	$7,092,518
Household Goods Movers:	1987	1986
A Christian Moving Co., Inc.	$307,737	$158,361
A-1 Moving & Storage, Inc.	664,394	566,933
AAA Spruill Moving & Storage	38,611	32,141
AAA Storage Company, Inc.	520,134	605,350
ABC Moving & Storage, Inc.	752,871	699,301
ACE World Wide Moving & Storage Of Raleigh	737,188	471,603
Abernethy Transfer & Storage Co., Inc.	33,790	170,884
Acme Movers & Storage Co., Inc.	253,071	283,810
Affiliated Services	1,828,584	1,029,733
All American Movers of Goldsboro, Inc.	92,699	127,392
All American Moving & Storage, Inc.	596,195	523,244
All States Moving & Storage Co., Inc.	594,437	685,140
Allen's Moving Service of Fayetteville, Inc.	122,950	170,366
Alternative Moving Systems	475,604	514,405
Asheville Transfer & Storage, Inc.	547,775	595,004
Atlantic Pacific Van & Storage, Inc.	152,458	161,611
B & M Local Moving, Inc.	166,010	284,561
Bartlett, Jack, Moving & Construction	73,813	43,883
Betts, Shirley Edward	9,345	6,283

FIGURE NO. 9-5 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1987 AND 1986
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
Household Goods Movers:	1987	1986
Branch Moving & Storage Co.	$140,914	$196,070
Brevard Moving & Storage Co., Inc.	248,169	235,131
Bright's Transfer, Moving & Storage	11,355	11,568
Burks Moving & Storage, Inc.	634,732	512,484
Byers, Samuel Augusta	107,517	72,151
Campbell's Transfer	82,425	60,521
Capitol Van Lines, Inc.	289,344	258,072
Cardinal Moving & Storage, Inc.	1,003,428	1,031,228
Cashion Moving & Storage, Inc.	204,565	220,474
Center Line, Inc.	190,864	343,646
Central Warehouse Co. of Durham, Inc.	254,094	377,796
City Transfer & Storage Co. of Fayetteville, Inc.	17,064	24,730
Coastal Moving Co., Inc.	376,889	443,349
Coley Moving & Storage, Inc.	756,067	722,870
Crown Moving & Storage, Inc.	443,320	439,632
Custom Moving & Storage, Inc.	416,776	409,474
David's Econo Move, Inc.	342,825	407,110
Dawson-Joyce Moving & Storage, Co.	398,805	370,348
DeHaven's Transfer & Storage of Greensboro, Inc.	783,899	774,801
DeHaven's Transfer & Storage of Raleigh, Inc.	929,731	780,838
Denham Moving & Storage, Inc.	111,965	157,677
Dixie Moving & Storage Company, Inc.	630,593	576,600
Dunbar Moving Systems	1,178,171	887,832
East Spencer Moving Corp.	44,910	35,023
Farrar Transfer & Storage Warehouse, Inc.	420,906	454,538
Fidelity Moving & Storage Co., Inc.	896,059	695,679
Fleming-Shaw Transfer & Storage, Inc.	834,429	782,687
Four Seasons Moving Company	206,356	147,837
Fox Brothers	154,439	148,687
Gasperson Transfer, Inc.	212,568	189,033
Gilbert Trucking Co.	188,735	196,222
Goldsboro Van & Storage, Inc.	234,267	171,042
Grady's Moving & Delivery Service, Inc.	365,586	204,985
Greenwood Transfer & Storage Company, Inc.	27,811	19,073
Griffin Transfer & Storage Co., Inc.	210,928	183,782
Hall's Transfer	78,181	73,847
Harrison Moving & Storage, Inc.	287,337	208,712
Harvel's, Cliff, Moving Company	123,590	110,072
Hester Transfer & Storage, Inc.	20,013	18,450
Highland Moving & Storage Co., Inc.	312,974	261,599
Hill, I.H., Transfer & Storage	50,888	36,251
Hoyle Transfer & Storage	200,183	156,649
Humphrey, David Charles	3,420	3,374
Humphrey, Troy, Moving & Storage, Inc.	590,551	347,390
Jones, Henderson Samuel, Transfer	8,768	14,310
Keever Moving Service, Inc.	55,308	36,721

FIGURE NO. 9-5 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1987 AND 1986
(ACTUAL DOLLARS)

Household Goods Movers:	TOTAL COMPANY REVENUE 1987	1986
Kepley Moving & Storage, Inc.	$85,246	$73,750
Kinston Moving & Storage, Inc.	51,796	71,542
Klink Transfer & Storage	102,226	116,080
Ladd, J.E. & Son	78,317	83,525
Long's Transfer, Inc.	180,841	152,483
McCauley Bros. Moving & Storage, Inc.	229,445	258,632
McCauley Moving & Storage of Fayetteville, Inc.	817,570	509,949
Manly Ray Moving	37,475	35,202
May Moving of Goldsboro, Inc.	596,661	661,841
Merchants Moving & Storage, Inc.	597,154 (B)	342,100
Morehead Moving & Storage	206,765	167,843
Move-It Company	177,080	171,295
Murray Transfer & Storage Co., Inc.	1,055,986	927,702
No-Name Movers	331,781	381,902
North America Transf. & Storage of Asheville, Inc.	499,063	468,979
Owens, W.W. & Sons, Moving & Storage, Inc.	678,037	738,074
Pannell, Millie Neal	8,407	12,634
Patterson Storage Warehouse Co., Inc.	1,142,023	1,048,047
Piedmont Home Delivery & Services Co.	21,863	45,422
Piedmont Van & Storage Co., Inc.	773,483	813,382
Port City Transfer & Storage Company	144,104	119,097
Queen City Moving & Storage	623,581	741,702
Raleigh Bonded Warehouse, Inc.	167,392	163,184
Raleigh Furniture Storage Co., Inc.	411,319	347,336
Reliable Van & Storage Co., Inc.	681,477	676,794
Russell Transfer Co., Inc.	629,385	644,075
Salisbury Moving & Storage	286,164	130,591
Sandhills Bonded Warehouse, Inc.	175,251	128,565
Sanford Transfer & Storage Co.	31,807	28,889
Seaboard Moving and Storage, Inc.	599	713
Sells Service, Inc.	304,725	335,769
Service Moving & Storage	797,586	775,414
Sheets Transfer & Storage Co., Inc.	777,336	904,690
Smith Bray Line & Storage Co. of N.C., Inc.	787,183	767,872
Smith, Elton C., Jr., Moving Co.	108,518	97,532
Smith Transfer & Storage	14,861	14,315
Smith, W.E., Moving Company, Inc.	181,181	124,380
Staley Moving Vans	10,514	15,751
Standard Moving & Storage of Goldsboro, Inc.	231,234	272,933
Stanley's Transfer Company, Inc.	1,902,819	449,036
State Moving & Storage, Inc.	198,555	225,637
Sunbelt Moving Systems, Inc.	926,462	867,738
Superior Delivery Service, Inc.	615,211	394,244
Tarheel Moving & Storage, Inc.	645,414	375,903
Terminal Storage Company, Inc.	334,358	387,085
Thomas Transfer, Inc.	248,641	228,556

FIGURE NO. 9-5 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1987 AND 1986
(ACTUAL DOLLARS)

	TOTAL COMPANY REVENUE	
Household Goods Movers:	1987	1986
Tri-City Moving & Storage, Inc.	$1,078,217	$1,034,985
Tryon Moving & Storage, Inc.	536,486	196,836
Turner's Moving Service	85,630	57,395
Union Transfer & Storage Company, Inc.	796,562	763,027
Welch Moving & Storage Co., Inc.	1,502,378	1,352,090
West's Durham Transfer & Storage Company, Inc.	274,291	241,880
Wile Transfer & Storage Company, Inc.	446,370	419,279
Williams, R.M., Moving Service	112,118	102,166
Williams Transfer & Storage, Inc.	235,569	213,529
Willis Moving & Storage, Inc.	156,580	122,396
Wilmington Oil & Moving Service, Inc.	198,789	189,999
Total	$47,379,291	$41,932,137
General Freight Carriers:	1987	1986
A-1 Wrecker Service of Chatham Co., Inc.	$179,686	$163,461
A & J Motor Lines, Inc.	134,807	164,456
AJS Trucking Company	763,824	640,912
Acme, Inc.	166,145	242,322
Airport Ground Transportation Services	895,648	811,658
Alexander Trucking Company of Davidson, Inc.	212,628	147,540
Alford, Cliff, Trucking, Inc.	305,820	289,930
Allred Boat Transport	53,121	12,733
Ammons Trucking Company	62,277	64,535
Anthony's Cargo Express, Inc.	460,784	312,536
Armored Protective Service, Inc.	255,363	239,313
Arndt Trucking, Inc.	191,503	219,442
Ausley, Cecil Thomas	245,744	204,863
B & B Lines, Inc.	384,107	418,509
B & C Trucking Co., Inc.	114,329	95,100
B & P Trucking	64,837	69,420
B & W Grain & Feed Service, Inc.	220,295	366,495
B-Freight Lines, Ltd.	463,114	219,586
BHL Transport, Inc.	464,628	0
BRT Transport, Inc.	129,670	54,920
Baker, Johnie Royster	2,122 (A)	6,334
Baker's Delivery Service	77,981	71,235
Barco Pickup & Delivery	41,347	26,940
Beasley Transport, Inc.	162,583	151,768
Beasley, Walton	103,784	82,742
Beeline Carriers, Inc.	242,789	238,444
Bell Truck Line	164,387	136,985
Best Cartage, Inc.	576,392	363,331
Best Way Motor Lines	1,014,912	892,257
Bestway Express, Inc.	3,037,678	1,823,910

FIGURE NO. 9-5 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1987 AND 1986
(ACTUAL DOLLARS)

General Freight Carriers:	TOTAL COMPANY REVENUE 1987	1986
Blevins Motor Express	$79,436	$63,028
Blount Transit, Inc.	299,236	126,760
Blue-Bird Diamond Taxi Assoc.	15,920	42,907
Blue Ox Distribution Company, Inc.	1,135,910	0
Blue Wing Trucking	127,871	2,442 (A)
Bostick, James Richard	48,706	63,671
Brendle's Transportation, Inc.	319,396	477,559
Bright Belt Motor Lines	729,632	631,144
Bright,Thomas Elton	60,942	39,406
Broglin's Delivery Service	107,139	86,770
Brookshire Express Services	190,222	130,300
Brothers Delivery Company, Inc.	77,702	74,335
Brown Oil & Transit Co., Inc.	188,672	233,521
Bryant Brothers, Inc.	425,360	304,662
Bryson Machinery Movers & Riggers, Inc.	132,327	113,888
Buckhorn Trucking Co., Inc.	200,800	0
Bud's Trucking	22,140	23,310
C.L.P. Enterprises, Inc.	3,625,514	2,210,702
C.N. Trucking Co.	143,308	8,435 (A)
C.S. Transport	1,173,521	1,000,435
CSC Erectors, Inc.	736,685	736,538
Campbell Trucking, Inc.	162,943	162,529
Carolina Cartage & Associates	412,039	410,651
Carolina Haulers, Inc.	336,616	326,650
Carolina Movers & Riggers, Inc.	66,955	36,392
Carolina Relocation Services, Inc.	319,949	284,266
Carolina Storage Corp.	199,227	288,661
Carolina Taxi & Industrial Transportation, Inc.	19,041	19,393
Carpenter Trucking Co., Inc.	618,570	611,931
Carr Transport, Inc.	249,204	267,268
Cason Builders Supply	372,187	232,895
Caustic Soda Transportation Co.	368,110	609,226
Cauthen Gin & Bag Company, Inc.	682,600	604,020
Cedar Hills Trucking, Inc.	924,640	140,185 (A)
Cencar Services, Inc.	437,234	383,919
Charlotte Bay Trading Company	1,087,411	962,579
Charlotte Transportation Co., Inc.	464,312	471,342
Chathan Trucking Company	57,469	65,557
Christie, Craig L.	129,916	103,385
Citizen Express, Inc.	548,956	656,331
Clark, J.B. III.	1,079,986	689,173
Clark, Osker A.	210,326	178,352
Coachman, Eric	55,377	56,907
Collins Trucking Company	200,077	202,405
Columbus Motor Lines, Inc.	1,068,988	681,760
Commercial Warehouse, Inc.	84,377	114,145

FIGURE NO. 9-5 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1987 AND 1986
(ACTUAL DOLLARS)

General Freight Carriers:	TOTAL COMPANY REVENUE 1987	1986
Cook & Son, Inc.	$273,679	$454,555
Cook Transfer & Storage	410,639	130,243
Cooley Transport, Inc.	490,872	417,235
Council, Artice Lee	39,887	25,710
Council, Jimmie	20,000	15,000
Crawford Deliveries,Inc.	109,768	111,811
Cromartie Transport Co., Inc.	853,807	733,243
Culberson Motor Lines, Inc.	922,974	982,618
Custom Freight, Inc.	45,816	56,756
D & N Motors	14,750	25,995
Daily Delivery Service	339,790	161,727
Daniel-Keck Taxi Co., Inc.	92,054	0
Davis Transportation	3,583	6,798
Direct Express Courier Services, Inc.	1,890,875	1,612,157
Doug's Mobile Home Towing	685,299	855,740
Douglas, J.W.	11,966 (A)	64,785
East Carolina Cartage Company, Inc.	572,023	503,797
Eastern Courier Corporation	449,837	442,442
Eastern Delivery Service, Inc.	421,400	326,377
Eastern Waste Paper Co.	372,554	72,098 (A)
Economy Transport, Inc.	64,415	43,494
English Trucking Co.	137,614	101,421
Essick, Ike C.	187,010	157,265
Evans, Charles	92,813	86,000
Exemptco of Surry Co.	274,221	152,000
Faison's Delivery Service	52,970	64,934
Federal Motor Express, Inc.	913,500 (B)	353,558 (A)
First Express	316,024	29,950 (A)
Fleetwood Express, Inc.	382,745	187,590 (A)
Foothills Trucking Co., Inc.	1,047,589	841,461
Ford's Contracting Services	33,648	14,518
Fowler, M.M., Inc.	361,958	461,188
Freight Shuttle, Inc.	3,555,508	3,403,832
Fuller, Thurston A. & Edith J.	66,247	61,595
Gilbert Transfer Company	709,464	523,479
Glover, James Harold, Trucking, Inc.	49,522	48,000
GOCO Transportation, Inc.	47,200	85,000
Graham, Garland R.	54,964	38,612
Granville House, Inc.	11,242	600
Great Southern Express	8,204	0
Greene Haulers, Inc.	100,469	109,326
Guignard, L.B., Inc.	329,336	797,990
Gupton, Donald L.	132,000	116,001
H I T	122,950	166,780
Haigler Trucking Company	708,828	599,226
Harris, William Lester	159,728	132,481

FIGURE NO. 9-5 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1987 AND 1986
(ACTUAL DOLLARS)

General Freight Carriers:	TOTAL COMPANY REVENUE 1987	1986
Hedrick, Sanford M., Jr.	$24,400	$0
Hickory Merchants Delivery	199,817	186,567
High Point Delivery Company	39,442	40,906
Hodges, Ed F., Inc.	188,750	164,999
Holland Transfer Co.	1,146,242	827,129
Holt, H.R.	282,531	232,837
Honeycutt, J.B., Company, Inc.	223,900	575,000
Howell Transfer Co., Inc.	330,073	369,810
Hunt's Trucking Co.	32,500	3,390 (A)
Industrial Asphalt Transport, Inc.	638,613	503,968
Inman, Gene, Trucking, Inc.	579,353	451,458
Interstate Cartage Co., Inc.	848,118	934,864
Ivey, Richard, Jr., Trucking	69,492	77,153
Jackson, Stacy W., Trucking	25,254	70,932
Jackson Trading Company, Inc.	265,715	223,188
Jet Express Delivery, Inc.	22,973	10,952
Jiffy Express Co.	48,895	2,473 (A)
John's Auto Repair, Inc.	587,233	453,120
Johnny's Transfer Co., Inc.	648,333	656,590
Johnson, James Walter	82,405	77,708
Jones Transfer, Inc.	61,309	102,485
K.B.D. Services, Inc.	441,807	261,124
Kendall Trucking & Grading	440,168	426,849
Kindle's Pickup and Delivery Service, Inc.	532,441	385,538
L.U. Carriers, Inc.	750,277	687,073
Land-Link, A Division of Europa Auto Search, Inc.	1,239,877	791,770
Laundale Transportation	2,244	49,502
Lee, Husel G.	67,797	52,857
Lewis & Lewis Trucking Co.	435,506	307,740
Lewis Storage Company, Inc.	70,408	76,671
Liberty Trucking	62,483	85,457
Lockwood Brothers, Inc.	539,744	503,303
Long Transportation Services, Inc.	547,563 (B)	201,709
Lovette Company	246,981	390,755
Loving, T.A., Company	85,127	62,501
Lumberton Masonary Co.	300,373	300,458
Lumbee Trucking Co., Inc.	1,023,501	1,092,477
McCotter, J.D., Sr.	61,263	70,935
McKinney, James Garland	4,628	3,618
McLeod Trucking & Rigging Co., Inc.	187,849	197,417
Macon, Robert L.	233,983	414,751
Mangum, C.C., Inc.	277,277	301,327
Marco-Pascal Co.	105,651	63,439
Marshall, Sherman W.	82,769	74,176
Martin, Roger E., Inc.	946,904	936,898
Metrolina Courier, Inc.	240,269	39,684 (A)

FIGURE NO. 9-5 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1987 AND 1986
(ACTUAL DOLLARS)

General Freight Carriers:	TOTAL COMPANY REVENUE 1987	1986
Mickel, David Jessie, Trucking	$366,845	$307,637
Mid-State Service Co.	77,428	76,855
Mills, Leroy, Trucking	77,128	14,380
Mini-Haul, Inc.	122,533	112,034
Mitchell, Cyrus A., Jr.	905	1,258
Mitchell Express, Inc.	43,100	40,785
Morgan, Garrett, Trucking, Inc.	225,202	115,996
Morgan Trucking, Inc.	3,649,025	1,849,351
Morven Freight Lines, Inc.	866,687	700,832
Mountain River Trucking Company, Inc.	165,856	58,254
Mullen's, Henry, Trucking	347,800	302,000
Mullis, Brandon L., Inc.	21,665	25,819
N.C. Transport, Inc.	1,002,738	994,564
Neuse Transport	571,529	378,445
New-Con Transportation, Inc.	343,916	175,010
Newsom Transports, Inc.	223,982	218,415
Nichols, A.T , Trucking Co.	437,177	369,879
Nordan Transportation Co., Inc.	67,300	70,032
Norris, Elwood, Inc.	183,118	110,046
Northside Storage Company	96,223	88,539
Odum, Ernest	51,689	44,204
Ormond, W.W., Transfer Co., Inc.	119,232	130,324
Owens & Minor, Inc.	334,001	364,768
PDC Trucking Company	340,237	229,722
Package Delivery, Inc.	760,780	641,580
Package Delivery Service of Durham, N.C.	51,584	53,068
Pelican Air Pak, Inc.	954,100	256,000 (A)
Perry, Stanley Kent	62,467	58,000
Perry & Turner Trucking Co., Inc.	1,452,289	1,122,529
Petroleum Transport Company, Inc.	1,055,735	749,246
Piedmont Delivery Service	41,041	56,091
Piedmont Paper Stock Co.--Chesapeake Corp.	14,350	19,336
Polar Transport, Inc.	70,190	0
Pope Transport Co.	1,816,142	1,357,605
Poteat, Lindsay	89,232	83,751
Price, Warren Gene	77,764	73,870
Proctor, F.C.	78,562	317 (A)
Public Transport Corporation	471,820	623,293
Puryear Transport, Inc.	801,224	791,814
Quinn, James Elwood, Inc.	200,049	892,879
R.E.M. Trucking Company	178,985	165,324
Rakes, Jimmy L., Trucking Co., Inc.	221,047	96,102
Raleigh Delivery Service, Inc.	286,143	985,406
Rapid Transit	256,506	331,333
Raynac Supply Company	158,420	152,277
Re-Sin, Inc.	114,119	75,999

FIGURE NO. 9-5 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1987 AND 1986
(ACTUAL DOLLARS)

General Freight Carriers:	TOTAL COMPANY REVENUE 1987	1986
Regional Storage & Transport, Inc.	$1,088,158	$1,071,828
Reynolds Trucking Co., Inc	403,294	0
Rivers Trucking, Inc.	360,897	265,382
Roberson, Norman	58,865	58,529
Robinson, Joe E.	69,539	40,886
Roney, W.C., Trucking Co., Inc.	39,493	47,342
Roscus-Draughon	120,000	76,445
Rosdahl, Lloyd, Machinery Riggers, Inc.	34,371	21,880
Routh Transportation, Inc.	72,696	43,938
S & R Wrecker Service, Inc.	789,551	718,694
STG Transport, Inc.	621,091	584,393
Sampson Tobacco Warehouse, Inc.	4,105	22,392
Sanders, Ervin	65,928	58,578
Santita Trucking Company	1,832,882	1,198,611
Satellite Station	56,252	0
Seaboard Western Express, Inc.	55,436	0
Shaw & Sons Trucking Co.	183,045	290,141
Shepard Motor Lines, Inc.	592,123	563,211
Skyland Couriers, Inc.	14,688	15,000
Smith, Alvin Alexander	152,890	139,616
Smith, Donald A.	423,072	419,350
Smith, Edgar	51,488	27,787
Smith, Ernest Thomas	68,477	72,000
Smith, Joe Neil, Trucking	19,376	10,626
Smith, Larry D.	12,995	18,486
Smith, Sam W.	110,449	114,911
South Atlantic Bonded Warehouse Corporation	641,719	594,248
South Freight Service, Inc.	961,593	799,848
Southern Freight Service, Inc.	133,990	103,815
Stainback Trucking, Inc.	195,293	276,726
Stallings, Harold Ray	73,400	62,420
Star Express, Inc.	613,684	511,572
State Trucking Company	543,684	690,644
Stegall Milling Company, Inc.	231,387	200,906
Stewart, Herman	51,000	59,356
Stonecutter Trucking Co., Inc.	1,042,416	982,628
Swann Trucking Company, Inc.	640,071	847,645
Swicegood, Donald J.	221,589	150,849
Swinson Trucking Company, Inc.	306,241	235,371
TGH Enterprises, Inc.	173,464	164,862
Tanway Trucking Co.	179,473	154,017
Tarheel Transport, Inc.	693,752	622,318
Taylor Transfer & Storage Co., Inc.	308,278	0
Tedder, Foster R., Sr.	87,000	74,500
Thompson, David, Trucking Company	644,290	560,215
Thompson Distributor	56,929	52,149

FIGURE NO. 9-5 CONTINUED
Motor Freight Carriers--Class III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
CALENDAR YEARS 1987 AND 1986
(ACTUAL DOLLARS)

General Freight Carriers:	TOTAL COMPANY REVENUE 1987	1986
Tilton's Delivery Service	$169,322	$103,939
Timber Trucking Co., Inc.	2,644,757	1,953,444
Tol-Co., Inc.	11,846	108,300
Tri-County Transport, Inc.	210,159	143,467
Tri-State Moving & Storage	123,750	83,599
Triad Transport, Inc.	280,536	213,427
Triangle Express	194,051	173,414
Truck Transfer Service, Inc.	373,300	361,383
Twin City Warehouses, Inc.	66,202	81,120
Tyler, James L.	120,916	90,352
Umstead Brothers, Inc.	391,927	400,617
Waccamaw Transport, Inc.	792,555	757,377
Wall Delivery Service, Inc.	238,106	576,372
Watson Transportation Co.	15,315	16,722
Watts Trucking Company	142,590	106,324
White, Donnie, Trucking	946,456	389,216
White Transfer & Storage Co., Inc.	88,329	51,622
Wilco Transport Company, Inc.	527,796	768,092
Wilkinson Freight Lines, Inc.	374,952	399,957
Willetts Brothers Trucking	735	1,795
Williams, Melvin Douglas	55,000	50,576
Williams, Moses	42,049	45,691
Wilson, John C. III	45,360	23,635
Wright Motor Lines, Inc.	115,548	211,745
Young Transfer	1,195,814	1,095,817
Zackly Rite Trucking, Inc.	880,957	785,117
Total General Freight	$108,580,582	$90,160,570
Grand Total	$163,858,161	$139,185,225

(A) Partial year of operations
(B) Change in scope of operations

Grand Total Class III Motor Freight Carriers:
1987 = 609 Active Carriers
1986 = 522

FIGURE NO. 9-6
CLASS III MOTOR FREIGHT CARRIERS --AUTHORITY GRANTED IN 1987
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
(ACTUAL DOLLARS)

MOBILE HOME MOVERS:	1987 TOTAL COMPANY REVENUE
Bales, Marvol Dean	$11,477
Big B Trailer Service	13,492
Bissell, Herbert	39,683
Bob's Mobile Home Moving	6,600
Danny's Mobile Home Moving Service	2,729
Davis Mobile Home Moving	14,548
Express Mobile Home Movers	49,347
Ideal Towing Service, Inc.	30,621
J. & N. Mobile Home Repair Service	2,827
J.R.'s Mobile Homes, Inc.	272,191
Jim's Mobile Home Del. & Setup Service	2,500
Jordan Mobile Home Movers	32,338
Lewis, Lionel Bert	38,585
Mobile Home Movers, Inc.	4,480
Nichols, Jackie Neal	1,075
Pamlico Mobile Home Movers, Inc.	17,600
Phillips Mobile Home Movers, Inc.	3,646
Pierce Mobile Home Service	11,000
Ricks/Kelly Mobile Home Movers	12,958
Service Recovery Corporation	179,698
Tonny's Transporters	294
Waddell, Jackie, Mobile Home Mover	143,778
Total(22)	$891,467

HOUSEHOLD GOODS MOVERS:	
Dunnegan's Moving & Storage	$70,975
Eduard's Moving Connection	6,650
Jiffy Moving & Storage	176,535
Native American Trucking, Inc.	54,205
Small Time Movers	129,159
Total(5)	$437,524

GENERAL FREIGHT MOVERS:	
A & F Equipment Service Company, Inc.	$32,730
Adams, Thad J., Jr.	64,660
B & R Transportation Services, Inc.	480,019
B & W	2,900
Black Trucking Company	943,070
C & E Transportation Company	71,529
C & H Air Service	66,000
C & O Warehousing Corporation	21,800
Case, C.W., Inc.	31,690
Charlotte Bus Terminal, Inc.	3,046
Clominger, C.F. Trucking	587,706
D & I Trucking, Inc.	352,607
Deloatch Transportation, Inc.	19,692
Embers Express Trucking Company, Inc.	1,530,236
Faircloth, Henry, Trucking	145,558
Fortson Trucking Company, Inc.	339,163

GENERAL FREIGHT MOVERS:	1987 TOTAL COMPANY REVENUE
Fowler, Waylon H., Contr. Haul., Inc.	$4,175,078
Grant Enterprises, Inc.	324,639
Graphics Express	56,300
Hildebran Freight Brokers, Inc.	301,695
Hough, Butch F.C., Trucking	58,019
Hutchens Trucking Company, Inc.	385,516
In-Time Transportation, Inc.	3,367,971
J.E.D. Transport, Inc.	343,155
Johnson, Clarence	40,777
L & N Trucking	348,201
Lester Transportation, Inc.	104,909
Lewis Contract Carriers	113,494
M & M Transport	417,810
McCann Enterprises, Inc.	357,161
Marsh's Trucking Company, Inc.	869,561
Marshall's Pickup & Delivery Service	16,194
Mount Airy Oil Company, Inc.	93,875
Mustang Transportation, Inc.	656,748
Natron Express, Inc.	1,784,371
Nichols, Robert E., Hauling	59,824
PAC Transport, Inc.	1,147,611
Paramount Express, Inc.	1,348,102
Piedmont Grading & Wrecking Co., Inc.	88,475
Piggy-Back & Carthage Service	71,957
Powell, S.E., Jr.	92,417
Riggs, Robert J., Jr.	71,431
Roberts-Linker, Inc.	7,521
Rooks Farm Service, Inc.	208,833
Southeastern Transport, Inc.	1,050,710
Southway Trucking Company, Inc.	1,164,621
Spears, Rodney	69,320
Spinco, Inc.	142,341
Stewart, Michael T., Truck	41,494
Tank Lines, Inc.	1,026,331
Tidewater, Fuels, Inc.	905,163
Tomahawk Trucking, Inc.	1,117,349
Triangle Trailer Rentals, Inc.	33,585
Turnaire, Major Elihue	4,000
Turrentine, Lewis	130
Venture Trucking Company, Inc.	1,596,233
Vickers, C.L., Transfer, Inc.	1,079,223
Wagoner Trucking Company, Inc.	81,059
Wallace Davis Trucking	490,347
Woodell Delivery Service, Inc.	42,391
Total(60)	$30,520,644
Grand Total(87)	$31,857,635

FIGURE NO. 9-7

INACTIVE MOTOR FREIGHT CARRIERS--CLASS III
GROUPED BY MAJOR TYPE OF PRODUCTS TRANSPORTED
FOR THE CALENDAR YEAR 1987

MOBILE HOME CARRIERS:

Ashe Lake Garage
Big King Mobile Home Sales
Gary's Mobile Home Service
Glover Sales, Inc.
Heritage Home, Inc.
P & Y Mobile Homes, Inc.
Piedmont Mobile Home Movers
Rorer, Russell D., Mobile Home
Tommy's Garage
Woodring's Mobile Home Park

TOTAL MOBILE HOME CARRIERS--10

HOUSEHOLD GOODS CARRIERS:

ACE Moving & Storage Company
Alamance Transfer & Storage Co., Inc.
American Distribution Systems, Inc.
American Relocation Services, Inc.
Graebel/North Carolina Movers, Inc.
Hood Moving & Storage, Inc.
Kallum Transfer Co., Inc.
Weathers Bros. Mov. & Stor. Co., Inc.

TOTAL HOUSEHOLD GOODS CARRIERS--8

GENERAL FREIGHT CARRIERS

All Ohio Trucking Company
Allen Realty Company, Inc.
Atlantic Oil Service, Inc.
Bridgeways Company, Inc.
Century Movers, Inc.
Champion Storage & Trucking Co., Inc.
Coca-Cola Bottling Company Consolidated
Dixon, Francis Maelois
Dixon Trucking Company, Inc.
E & B Corporation
Eggleston, Gorris, Oil Transport, Inc.
Eller, Sam D., Motor Carrier, Inc.
Erwin Oil Company
Eure Trucking, Inc.
Falcon Courier, Inc.

GENERAL FREIGHT CARRIERS:

Farmers Oil Company, Inc.
Federated Transport, Inc.
Freightways, Inc.
Gardner-Creech Oil Company, Inc.
Gate City Delivery Service
Godwin Transport Company, Inc.
Harvey, L. & Son,
Hendrix, T.C., Jr.
Hill-Top Transport, Inc.
Hollowell Transportation Co., Inc.
Hooker & Hollowell Oil Co., Inc.
Hopkins, D.O., Trucking, Inc.
Hopper Brothers, Inc.
J & W Service
Jenkins, J.W., Inc.
Johnson Truckers
Liberty Transportation Lines, Inc.
M & P Transfer, Inc.
MCB Trucking, Inc.
Martin, W.H. Company, Inc.
Maxton Oil & Fertilizer Company
Metro Air Land Express
Mooresville Oil Company
North State Transport
Pacemaker Corporation
Perry's Transfer Company
Pilot Van Lines, Inc.
Pipe Line Haulers, Inc.
Porter, John E.
Professional Transport
Rupard, C. B. & Sons
Self Scrap Metal Company
Swain, Bob, Inc.
Tharrington Brothers
Thomas Produce Company of Mount Airy, Inc.
Tobacco Growers Services, Inc.
Tobacco Transport
Triad Fila Transport Company
Triple A Transport
Twisdale Trucking Company

TOTAL GENERAL FREIGHT CARRIERS--55

GRAND TOTAL INACTIVE CARRIERS--73

X. The Transportation Industry - Motor Passenger Carriers

A. GENERAL COMMENTS

1. REGULATED PRIVATELY OWNED SECTORS

For the purpose of filing annual reports, both the Interstate Commerce Commission (ICC) and the North Carolina Utilities Commission (NCUC) authorized the following classifications effective January 1, 1980, for the motor passenger carriers:

CLASSIFICATION	REQUIREMENTS
Class I	$3,000,000 or more annual operating revenues
Class II	$500,000--$3,000,000 annual operating revenues
Class III	Under $500,000 annual operating revenues

At December 31, 1987, there were 108 companies franchised to operate under the regulation of the North Carolina Utilities Commission. See Figure No. 10-1 for a list of the companies and their scope of operations. The two bus systems operated by Duke Power Company in Durham and Greensboro are franchised by the governing authorities of the municipalities in which they operate. The Commission's jurisdiction over these two carriers is limited to the approval or disapproval of fares and to the annual filing of reports of operations. The remaining 106 carriers are fully regulated by the Commission. These companies include, 61 transportation brokers, three motor boat common carriers, and 44 motor passenger carriers. Transportation brokers, as herein used, means any person not a bona fide employee or agent of a motor carrier who engages in the business of selling or offering for sale any transportation of passengers by motor carriers for compensation, either directly or indirectly. A transportation broker does not own or operate the vehicles used to transport passengers to whom he sells or arranges for this type of service. There is no operating data for the 61 carriers involved in this report. Operating data is included for the 44 motor passenger carriers who filed 1987 annual reports with the Commission.

2. NONREGULATED PUBLICLY OWNED SECTOR

The North Carolina Utilities Commission has no jurisdiction over most of the passenger transit systems serving the intracity traffic and the urban and rural areas. However, these systems are providing transportation to large numbers of intracity passengers as shown by the following ridership figures:

Unregulated Intracity Ridership	
Calendar Year	Passengers
1981	22,866,452*
1982	22,553,958*
1983	21,221,389*
1984	21,291,471*
1985	21,179,555*
1986	22,150,923*
1987	21,901,872*

Since July 1, 1974, there has been a Public Transportation Division (PTD) within the Department of Transportation. The PTD administers several federal grant programs and a state grant program as well as fostering the development of the public transportation system in North Carolina. For further information on this agency's activities, the N.C. Department of Transportation, P. O. Box 25201, Raleigh, North Carolina 27602, should be contacted.

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*Source: Public Transportation Division--North Carolina Department of Public Transportation: Systems included in the data are Asheville, Chapel Hill, Charlotte, Fayetteville, Gastonia, Greenville, High Point, Raleigh, Salisbury, Wilmington, Wilson, and Winston-Salem. The bus systems in Durham and Greensboro are regulated and owned by Duke Power Company. The ridership for these systems is omitted from this data.

BUS DEREGULATION

The Bus Regulatory Reform Act of 1982 enacted by Congress granted intercity bus companies wide-ranging freedoms to adjust their services and rates. Under this act, if any intercity bus company files with the Commission for an increase in its rates, and the Commission approves a level of rates which is less than that requested, the carrier can then appeal the Commission's decision to the ICC. Under the Bus Act, the ICC is compelled to grant the carrier the full relief sought if the intrastate rates are less than similar interstate rates. Since the enactment of the Bus Act, all proceedings in which the Commission denied the rate relief sought in whole or in part, and the request was appealed to the ICC, the ICC granted the full relief sought.

B. INTERCITY MOTOR PASSENGER CARRIERS

Financial and statistical data is presented for the 42 regulated intercity carriers having separate operations during 1987 who filed annual reports with the North Carolina Utilities Commission. The intercity carriers have franchised and operating rights to serve two or more points and are further classed and operate as common or contract carriers over interstate or intrastate routes.

The following table shows the breakdown of these classifications as of December 31, 1986, and 1987.

Classification	1986 Number of Carriers	1987 Number of Carriers
Class I	5	5
Class II	8	8
Class III	20	29
Total	33	42

Type Carrier	1986 Number of Carriers	1987 Number of Carriers
Common	32	41
Contract	1	1
Total	33	42
Scope of Operations		
Interstate	8	8
Intrastate	25	34
Total	33	42

C. FARE INCREASES AUTHORIZED--INTERCITY

There were no intercity motor passenger carrier fare increases in 1987.

D. STATISTICAL SUMMARY DATA--INTERCITY

In 1987 the five Class I intercity motor carriers accounted for approximately 70% of the North Carolina total intercity gross operating revenues including the Class III carriers. For their North Carolina operations, the 1987 Class I intercity carriers experienced a 4.8% decrease from their 1986 operations.

Systemwide operations for the Class I carriers in 1987 show a decrease of 5.2% in operating revenues compared with 1986. There was an increase of 1.2% in operating expenses in 1987. The operating ratio for the Class I carriers in 1987 was 103.9% compared with 97.4% in 1986.

E. INTRACITY MOTOR PASSENGER CARRIERS COMMENTS

During 1987 there were two intracity carriers operating under the jurisdiction of the North Carolina Utilities Commission who filed their annual reports. These intracity carriers are Duke Power Company -- Durham and Duke Power Company -- Greensboro.

There have been no fare increases authorized in intracity bus carriers since 1981.

F. STATISTICAL SUMMARY DATA--INTRACITY

Figure No. 10-6 shows a summary of selected income items and operational statistics for the calendar years 1986 and 1987 for the intracity motor passenger carriers. There are no Class I or III carriers presently in this group. Information is given for the two carriers who filed 1987 annual reports.

FIGURE NO. 10-1
MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1987

	Scope of Operations*	
Class I Carriers:	Interstate	Intercity
Carolina American Tours	X	X
Carolina Coach Company (1)	X	X
Greyhound Lines (2)	X	X
Seashore Transportation	X	X
Trailways Lines	X	X
Total Carriers--5	5	5
Class II Carriers:		
		X
America Charters, Ltd.	X	X
American Coach Lines		X
Blue Ridge Lines, Ltd.		
Duke Power Company-Durham (3)		
Duke Power Company-Greensboro (4)	X	X
Kannapolis Transit Company, Inc.		X
Nancy & Dwight's Holiday Tours	X	X
Piedmont Coach Lines, Inc.	X	X
Southern Coach Company	X	X
Young's Transportation		
Total-10 Carriers	5	8
Class III Carriers:		
Archie's Bus & Transit Services		X
Brown's Scenic Cruiser, Inc. (5)		X
Carolina Transit Lines of Charlotte		X
Crystal Coast Tours		X
Dillahunt, John T.		X
Dills & Carpenter Transit		X
East American Coach		X
Emma Bus Lines, Inc.	X	X
Forte's Charter Bus & Van Service		X
Go Travels		X
Hill, Jesse, Tours, Inc. (6)		X
Holiday Express, Inc.		X
Houston Transport Company, Inc.		X
J & R Charter Service, Inc.		X
Joshlis Charters		X
L.U.V. Transportation		X

* All carriers have intracity authority pursuant to Commission Rule R2-69.

(1) Leasing regular route authority of Seashore Transportation Company (Docket No. B-15, Sub 196, Dated June 7, 1988)
(2) Eastern and Southern Greyhound Lines' authority was transferred to Greyhound Lines, Inc. (Docket No. B-7, Sub 106, dated January 25, 1988)
(3) and (4) Franchised by municipalities; fares only regulated by the N. C. Utilities Commission. Both carriers exercise intracity authority.
(5) Irregular route common carrier authority granted. (Docket No. B-466, dated May 1, 1987).
(6) Irregular route common carrier authority granted. (Docket No. B-465, dated April 27, 1987).

FIGURE NO. 10-1 CONTINUED
MOTOR PASSENGER CARRIERS FRANCHISED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1987

	Scope of Operations	
Class III Carriers (Continued):	Interstate	Intercity
Lake Gaston Bus Service		X
McBroom Coach, Inc.		X
Mountain Majic Tours		X
New Hope Charter		X
Mooney Bus Lines, Inc.		X
Piedmont Transit, Inc.		X
Scenic Tours, Inc.		X
Southern Tours, Inc.		X
Thompson Travel Services, Inc.		X
Trans-Service, Inc.		X
Travel Professionals		X
Triad Lines, Inc.		X
Walnut Coach Lines, Inc.		X
Total-29 Carriers	1	29
Motor Boat Common Carriers		
Carteret Boat Tours, Inc.		X
Morris Marina, Cabin Camps & Fer. Srv.		X
Willis, Alger G., Fishing Camps, Inc.		X
Total-3 Carriers	0	3

Transportation Brokers (All Intercity):

Activity Designers of Raleigh	Edwards, Patricia T.	N. C. State Motor Club
Albertson, Charles W.	Express Tours	New Bern Guided Tours
B J & M Tours	Five Star Tours	North Carolina First Tours
Beaser, Nancy, Tours	Gough Tours	North State Heritage Tours
Big "C" Tours	Great Getaway Tours	Northeastern Travel Services
Brantley Tours, Inc.	Green, Conley F., Sr.	P & B Travels
Bullock Tours	Group & Individual Travel	Per-Flo Tours, Inc.
Carol-Ian Tours, Inc.	Hazel, Ray, Tours	Piedmont Tours of Burlington, Inc.
Carolina Tours	Hepler Tours	Scurlock's Travel & Tours
Carousel of Raleigh	Heritage Tours	Sheryl's Tours, Inc.
Charlotte Visitours, Inc.	Holiday Tours	Shopping Sprees-A Division of Topics, Inc.
Circle Tours	Hubbard Tours	Smoky Mountain/Highland Tours, Inc.
Country Cottage Tours	International Tourist Group	T. L. C. Tours
Convenient Tours	Introducing Asheville	Talks, Tours, & Things
Cowan Tours, Inc.	Jaunts & Journeys	Thacker, Ginger, Tours
Cristal Tours	Johnston Lion's Club	Travel Time of Salisbury
Cross Country Tours of N.C., Inc.	Long's Travel Agency, Inc.	Travel Tours, Inc.
Custom Travel Services, Inc.	Manning Tours, Inc.	Trekmaker
Davis Tours	Meetings, Inc.	Western Carolina Tours, Inc.
Daybreak Sing, Inc.	Moore Tours, Inc.	Williams, Roy B.
		Wooddall, Ruth, Tours

Total-61 Brokers

Grand Total -- 108 Carriers

FIGURE NO. 10-2

CLASS I MOTOR PASSENGER CARRIERS--INTERCITY
Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1986 and 1987
(North Carolina and Systemwide Data Noted)

ITEMS	Year	Carolina American Tours	Carolina Coach Company	Greyhound Lines, Inc. (1)	Seashore Transportation Company	Trailways Lines, Inc. (1)	Total Class I
Operating Revenues (N.C. Portion):	1986	$3,912,129	$9,919,505	$9,821,370	$2,710,286	$1,641,104	$28,004,394
	1987	$3,925,363	$7,266,925	$12,866,585	$1,934,211	$676,962	$26,670,046
INCOME ITEMS (SYSTEMWIDE):							
Operating Revenues	1986	$3,912,129	$21,592,979	$640,768,337	$2,713,048	$200,236,430	$869,222,923
	1987	$3,925,363	$16,525,015	$714,195,388	$2,447,161	$87,214,473	$824,307,400
Operating Expenses	1986	3,764,860	20,085,779	603,898,457	3,012,940	215,922,148	846,684,184
	1987	3,992,676	13,634,684	711,261,982	2,646,765	125,022,471	856,558,578
Net Operating Income Before Taxes	1986	$147,269	$1,507,200	$36,869,880	($299,892)	($15,685,718)	$22,538,739
	1987	($67,313)	$2,890,331	$2,933,406	($199,604)	($37,807,998)	($32,251,178)
Other Income (Deductions)--Net	1986	(16,975)	(557,795)	12,497,209	(43,157)	3,716,847	15,596,129
	1987	20,996	151,885	(15,396,867)	(28,311)	0	(15,252,297)
Income Taxes	1986	0	68,076	14,632,000	0	(6,164,505)	8,535,571
	1987	0	505,000	6,282,000	0	(3,070,394)	3,716,606
Extraordinary Items	1986	0	0	0	0	0	0
	1987	0	0	0	0	0	0
Net Income After Taxes	1986	$130,294	$881,329	$34,735,089	($343,049)	($5,804,366)	$29,599,297
	1987	($46,317)	$2,537,216	($18,745,461)	($227,915)	($34,737,604)	($51,220,081)
Operating Ratio	1986	96.2%	93.0%	94.2%	111.1%	107.8%	97.4%
	1987	101.7%	82.5%	99.6%	108.2%	143.4%	103.9%
STATISTICS (N.C. ONLY):							
Total Bus Miles Operated	1986	1,058,427	4,125,564	4,201,659	1,499,813	2,638,768	13,524,231
	1987	1,045,368	3,554,280	5,881,412	1,229,162	1,533,433	13,243,655
Length of bus route--miles--one way (actual)	1986	N/A	2,103	1,303	666	2,446	6,518
	1987	N/A	2,103	2,083	1,323	2,446	7,955
Total gallons gasoline purchased or used	1986	0	0	0	0	N/A	0
	1987	0	0	0	0	N/A	0
Total gallons diesel fuel purchased or used	1986	331,600	425,779	826,765	245,022	392,459	2,221,625
	1987	182,888	344,225	843,375	204,860	235,878	1,811,226

N/A--Not Available
(1) The 1987 Trailways data is for the first half of the year. The last half year data is included with the 1987 Greyhound data.

FIGURE NO. 10-2 CONTINUED

CLASS I MOTOR PASSENGER CARRIERS--INTERCITY
Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1986 and 1987
(North Carolina and Systemwide Data Noted)

ITEMS	Year	Carolina American Tours	Carolina Coach Company	Greyhound Lines, Inc. (1)	Seashore Transportation Company	Trailways Lines, Inc. (1)	Total Class I
*No. of tickets sold which originated in N.C.	1986	N/A	286,285	439,363	123,365	N/A	849,013
	1987	N/A	259,737	221,455	50,559	N/A	531,751
*Revenue for tickets originating in N.C.	1986	N/A	$5,596,881	$7,144,043	$966,106	$1,108,116	$14,815,146
	1987	N/A	$5,231,101	$9,422,928	$897,429	$434,935	$15,986,393
*Average revenue per ticket originating in N.C.	1986	N/A	$19.55	$16.26	$7.83	N/A	$14.55
	1987	N/A	$20.14	$42.55	$17.75	N/A	$26.81
Other revenue originating in N.C. by charter & express	1986	$3,912,129	$4,322,624	$2,677,327	$1,744,180	$532,988	$13,189,248
	1987	$3,925,363	$2,035,824	$3,443,657	$1,549,732	$242,027	$11,196,603
STATISTICS (SYSTEMWIDE):							
No. revenue passengers carried	1986	52,160	1,299,717	36,242,212	179,474	10,689,140	48,462,703
	1987	62,000	1,045,378	45,974,253	100,754	4,257,345	51,439,730
Total number of buses owned (actual)	1986	59	199	2,660	27	1,200	4,145
	1987	53	N/A	N/A	27	N/A	80
Average number of N.C. employees (actual)	1986	91	348	343	78	182	1,042
	1987	100	212	448	55	167	982

* Excludes charter & school passengers
N/A Not Available
(1) The 1987 Trailways data is for the first half of the year. The last half year data is included with the 1987 Greyhound data.

FIGURE NO. 10-3

CLASS II MOTOR PASSENGER CARRIERS--INTERCITY
Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1986 and 1987
(North Carolina and Systemwide Data Noted)

INCOME ITEMS	Year	America Charters Ltd.	American Coach Lines	Blue Ridge Lines Ltd.	Kannapolis Transit Co., Inc.	Nancy & Dwight's Holiday	Piedmont Coach Lines	Southern Coach Company	Young's Transportation	Total Class II
OPERATING REVENUES (N.C. PORTION):	1986	$1,880,686	$201,568	$398,279	$456,867	$720,017	$1,265,914	$629,392	$824,355	$6,377,078
	1987	$1,888,547	$136,066	$290,893	$585,382	$225,795	$1,613,700	$753,656	$908,655	$6,403,494
INCOME ITEMS (SYSTEMWIDE):										
Operating Revenues	1986	$1,880,686	$2,017,238	$962,027	$697,380	$2,204,584	$2,109,856	$1,090,750	$1,446,238	$12,408,759
	1987	$1,888,547	$2,665,037	$843,026	$992,075	$2,624,840	$2,521,406	$1,371,379	$1,594,133	$14,500,443
Operating Expenses	1986	1,840,232	2,044,390	800,123	693,665	2,091,599	2,151,546	1,124,684	1,415,432	12,161,671
	1987	1,973,832	2,649,004	744,744	955,172	2,402,712	2,449,188	1,428,642	1,508,752	14,112,046
Net Operating Income Before Taxes	1986	$40,454	($27,152)	$161,904	$3,715	$112,985	($41,690)	($33,934)	$30,806	$247,088
	1987	($85,285)	$16,033	$98,282	$36,903	$222,128	$72,218	($57,263)	$85,301	$388,397
Other Income (Deductions)--Net	1986	100,099	22,194	3,716	0	(86,432)	(84,054)	71,011	(67,007)	(40,473)
	1987	30,118	44,634	3,911	0	(51,658)	(93,473)	93,230	(21,530)	5,232
Income Taxes	1986	7,238	0	0	759	17,680	0	1,244	0	26,921
	1987	(3,235)	0	6,484	2,168	12,000	0	9,118	0	26,535
Extraordinary Items	1986	0	0	0	0	0	0	0	0	0
	1987	0	0	0	0	0	0	0	0	0
Net Income After Taxes	1986	$133,315	($4,958)	$165,620	$2,956	$8,873	($125,744)	$35,833	($36,201)	$179,694
	1987	($51,932)	$60,667	$95,709	$34,735	$158,470	($21,255)	$26,849	$63,851	$367,094
Operating Ratio	1986	97.8%	101.3%	83.2%	99.5%	94.9%	102.0%	103.1%	97.9%	98.0%
	1987	104.5%	99.4%	88.3%	96.3%	91.5%	97.1%	104.2%	94.6%	97.3%
STATISTICS (N.C. ONLY):										
Total Bus Miles Operated	1986	766,991	94,377	205,588	200,250	153,758	515,262	313,911	266,512	2,524,657
	1987	N/A	97,414	113,523	222,017	162,220	671,784	340,251	247,749	1,854,958
Length of bus route--miles--one way (actual)	1986	N/A	83	2	N/A	N/A	N/A	41	N/A	126
	1987	N/A	83	1	N/A	N/A	N/A	N/A	N/A	84
Total gallons gasoline purchased or used	1986	N/A	0	0	0	N/A	N/A	6,605	0	6,605
	1987	N/A	0	0	0	N/A	N/A	9,587	0	9,587
Total gallons diesel fuel purchased or used	1986	N/A	15,353	85,501	61,148	35,648	N/A	91,726	53,559	342,935
	1987	N/A	16,935	54,737	37,003	27,551	136,870	108,958	48,740	430,794

N/A--Not Available

FIGURE NO. 10-4

MOTOR PASSENGER CARRIERS--INTERCITY--CLASS III
Summary of Total Revenues and Expenses
For the Calendar Years 1986 and 1987

INTERCITY CLASS III CARRIER	TOTAL COMPANY OPERATING REVENUES		TOTAL COMPANY OPERATING EXPENSES		TOTAL COMPANY OPERATING RATIO	
	1986	1987	1986	1987	1986	1987
Archie's Bus & Transit	I	I	I	I	I	I
Carolina Transit Lines of Charlotte	$363,911	$329,492	$314,748	$297,192	86.5%	90.2%
Dillahunt, John T.	4,576	4,765	6,475	6,447	141.5%	135.3%
Dills & Carpenter Transit	52,394	40,738	N/A	N/A	N/A	N/A
East American Coach	377,974	501,243	365,051	510,260	96.6%	101.8%
Esse Bus Lines	250,590	222,753	237,931	234,190	94.9%	105.1%
Forte's Chartered Bus & Van Services	0	35,362	0	35,424	0.0%	100.2%
Holiday Express, Inc.	111,555	159,270	129,060	163,251	115.7%	102.5%
Houston Transport Company	217,233	219,015	224,110	200,439	103.2%	91.5%
J & R Charter Service, Inc.	22,705	101,706	32,908	96,031	144.9%	94.4%
Joshlis Charter	20,128	66,700	31,011	65,817	154.1%	98.7%
Lake Gaston Bus Service	6,884	4,359	2,734	2,615	39.7%	60.0%
McBroom Coach, Inc.	219,512	262,736	188,861	229,134	86.0%	87.2%
New Hope Charter, Inc.	167,278	157,815	148,933	164,293	89.0%	104.1%
Mooney Bus Lines, Inc.	64,484	76,338	65,165	76,639	101.1%	100.4%
Piedmont Transit, Inc.	156,777	236,476	178,702	235,751	114.0%	99.7%
Scenic Tours, Inc.	55,975	68,203	61,452	68,329	109.8%	100.2%
Southern Tours, Inc.	389,441	370,082	437,304	436,191	112.3%	117.9%
Trans-Service, Inc.	280,239	237,185	269,169	266,965	96.0%	112.6%
Triad Lines, Inc.	372,525	376,029	368,316	386,251	98.9%	102.7%
TOTAL	$3,134,181	$3,470,267	$3,061,930	$3,475,219	97.7%	100.1%

I = Report was filed, but information was incomplete.
N/A = Report was filed, but information was not available.

FIGURE NO. 10-5

CLASS III MOTOR PASSENGER CARRIERS--INTERCITY--AUTHORITY GRANTED IN 1987
Summary of Total Company Revenues and Expenses

COMPANY	OPERATING REVENUES	OPERATING EXPENSES	OPERATING RATIO
Brown's Scenic Cruiser	$9,318	$20,027	214.9%
Crystal Coast Tours	25,382	35,741	140.8%
Go Travels	1,535	3,650	237.8%
Hill, Jesse, Tours, Inc.	283,551	274,178	96.7%
L.U.V. Transportation	40,382	40,077	99.2%
Mountain Majic Tours, Inc.	1,115	11,912	1068.3%
Thompson Travel Services, Inc.	101,366	104,206	102.8%
Travel Professionals, Inc.	135,604	106,643	78.6%
Walnut Cove Coach Line, Inc.	0	0	0.0%
TOTAL	$562,018	$537,016	95.6%

FIGURE NO. 10-6

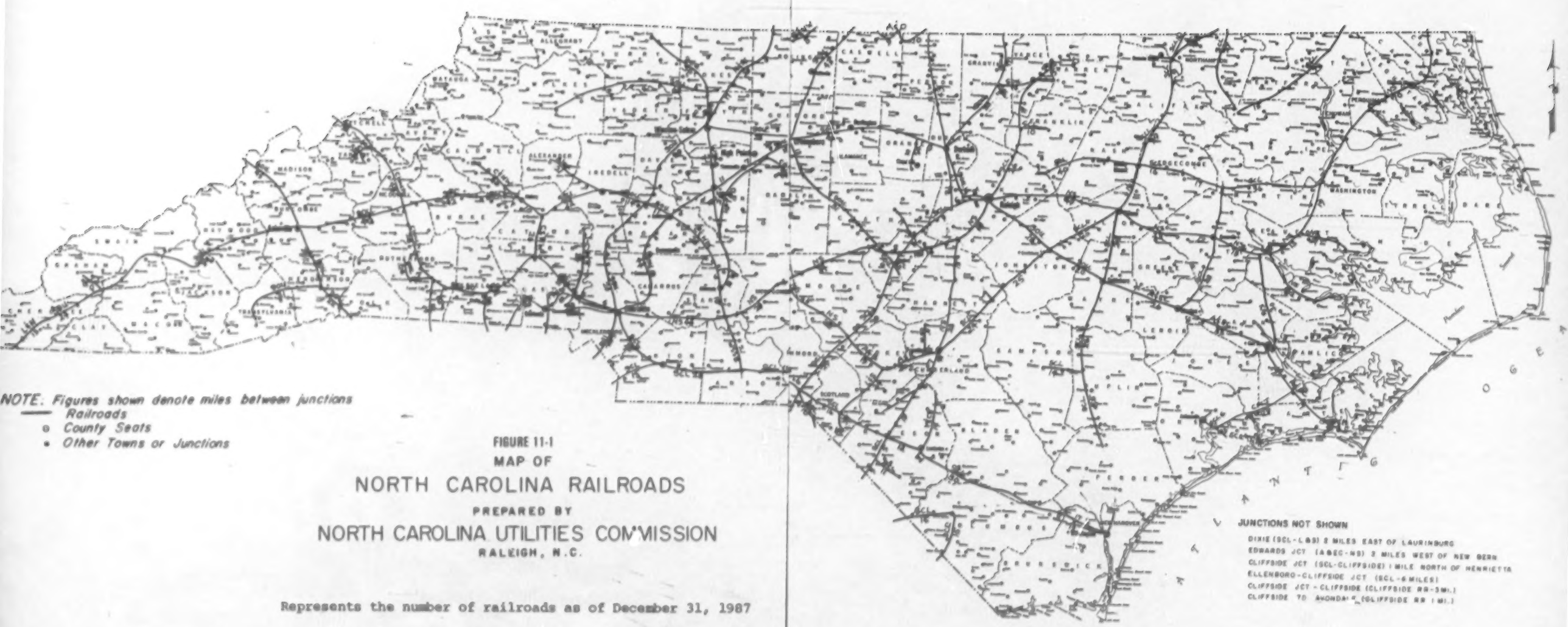
MOTOR PASSENGER CARRIERS--INTRACITY

Summary of Selected Income Items and Operational Statistics

For the Calendar Years 1986 and 1987

INCOME ITEMS (N.C. ONLY):	Year	Duke Power Durham	Duke Power Greensboro	Total Intracity Carriers
Operating Revenues	1986	$779,863	$596,014	$1,375,877
	1987	$782,736	$616,131	$1,398,867
Operating Expenses	1986	2,017,116	1,668,250	3,685,366
	1987	2,221,584	1,742,260	3,963,844
Net Operating Income Before Taxes	1986	($1,237,253)	($1,072,236)	($2,309,489)
	1987	($1,438,848)	($1,126,129)	($2,564,977)
Other Income or (Deductions)--Net	1986	0	0	0
	1987	0	0	0
Income Taxes--Net	1986	0	0	0
	1987	0	0	0
Net Income After Taxes	1986	($1,237,253)	($1,072,236)	($2,309,489)
	1987	($1,438,848)	($1,126,129)	($2,564,977)
Operating Ratio	1986	258.7%	279.9%	267.9%
	1987	283.8%	282.8%	283.4%
STATISTICS SYSTEMWIDE:				
Length of bus route-miles-one way	1986	52	69	121
	1987	52	69	121
Total no. of buses owned	1986	33	26	59
	1987	33	28	61
Average no. of buses operated daily	1986	20	17	37
	1987	20	17	37
Total bus miles operated-yearly	1986	863,214	682,214	1,545,428
	1987	859,101	668,735	1,527,836
Total revenue passengers hauled during year	1986	1,892,715	1,399,416	3,292,131
	1987	1,882,071	1,441,771	3,323,842
Total school passengers hauled (Included in total passengers hauled)	1986	119,489	9,830	129,319
	1987	107,071	9,425	116,496
Average number of bus drivers	1986	34	29	63
	1987	35	28	63
Average number of full-time N.C. employees	1986	65	67	132
	1987	68	65	133
Total N.C. salaries and wages paid	1986	$1,170,659	$982,556	$2,153,215
	1987	$1,169,760	$1,169,760	$2,339,520

XI. The Transportation Industry—Railroads



NOTE: Figures shown denote miles between junctions

— Railroads

o County Seats

• Other Towns or Junctions

JUNCTIONS NOT SHOWN

DIXIE (SCL-L&N) 2 MILES EAST OF LAURINBURG

EDWARDS JCT (A&EC-NS) 2 MILES WEST OF NEW BERN

CLIFFSIDE JCT (SCL-CLIFFSIDE) 1 MILE NORTH OF HENRIETTA

ELLENBORO-CLIFFSIDE JCT (SCL-6 MILES)

CLIFFSIDE JCT - CLIFFSIDE (CLIFFSIDE RR-3MI.)

CLIFFSIDE TO AHONDA (CLIFFSIDE RR 1 MI.)

FIGURE 11-1

MAP OF

NORTH CAROLINA RAILROADS

PREPARED BY

NORTH CAROLINA UTILITIES COMMISSION

RALEIGH, N.C.

Represents the number of railroads as of December 31, 1987

FIGURE 11-1A

RAILROADS AUTHORIZED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1987

Aberdeen Carolina & Western Railway Co.
P.O. Box 646
Aberdeen, N.C. 28315

Aberdeen & Rockfish Railway Co.
P.O. Box 917
Aberdeen, N.C. 28315

Alexander Railroad Co.
P.O. Box 277
Taylorsville, N.C. 28681

Atlantic & East Carolina Railway Co.
5 Main Plaza East
P.O. Box 3609
Norfolk, Virginia 23514-3609

Atlantic & Western Corp.
317 Chatham Street
P.O. Box 1208
Sanford, N.C. 27330

Beaufort & Morehead Railroad Co.
P.O. Box 300
Beaufort, N.C. 28516

CSX Transportation
P.O Box 41645
Jacksonville, Florida 32203-1645

Camp Lejeune Railroad Co.
5 Main Plaza East
P.O. Box 3609
Norfolk, Virginia 23514-3609

Cape Fear Railways, Inc.
P.O. Box 70090
Fort Bragg, N.C. 28307

Carolina & Northwestern Railway Co.
5 Main Plaza East
P.O. Box 3609
Norfolk, Virginia 23514-3609

Fairmont & Western Railroad Co.
P.O. Box 546
Laurinburg, N.C. 28352

Franklin County Railroad Corp.
P.O. Box 546
Laurinburg, N.C. 28352

High Point, Thomasville, & Denton Railroad Co.
500 Water Street
Jacksonville, Florida 32202

Laurinburg & Southern Railroad Co.
P.O. Box 546
Laurinburg, N.C. 28352

Mid Atlantic Railroad Company
P.O. Box 368
Chadburn, N.C. 28431

Nash County Railroad Corp.
P.O. Box 546
Laurinburg, N.C. 28352

Norfolk Southern Combined Railroad
5 Main Plaza East
P.O. Box 3609
Norfolk, Virginia 23514-3609

North Carolina & Virginia Railroad
P.O. Box 1063
Ahoskie, N.C. 27910

Red Springs & Northern Railroad Co.
P.O. Box 546
Laurinburg, N.C. 28352

State University Railroad Co.
5 Main Plaza East
P.O. Box 3609
Norfolk, Virginia 23514-3609

The Virginia Southern Division Railroad
P.O. Box 1063
Ahoskie, N.C. 27910

Warrenton Railroad Co.
P.O. Box 518
Warrenton, N.C. 27589

Winston-Salem Southbound Railway Co.
500 Water Street
Jacksonville, Florida 32202

A. RAILROAD COMPANIES OPERATING IN NORTH CAROLINA

Twenty-three railroad companies were in operation in North Carolina at the end of 1987. These companies operated 3,451 miles of trackage in North Carolina as of December 31, 1987. Figure No. 11-1 is a map of the North Carolina Railroad System and Figure No. 11-2 shows a list of railroads franchised to operate. The State's rail system is well developed with service available to many towns and to all regions of the State. Almost all of the state's one hundred counties receive rail service.

In North Carolina railroads are viewed as a very important element in the State's total freight transportation system, delivering many of the materials needed to run North Carolina's economy. The State's agricultural and wood product industries have relied on convenient and economical rail service. The coal-fired utility plants, which generate electricity for North Carolina industries, depend on rail for coal delivery.

On January 1, 1980, the Interstate Commerce Commission (ICC) and the North Carolina Utilities Commission (NCUC) reclassified the railroads as follows: (M-100, Sub 68, dated 2-5-82)

Class I	$50 million or more annual revenues
Class II	$10 million to $50 million annual revenues
Class III	Less than $10 million annual revenues

At December 31, 1987, there were two Class I railroads, one Class II railroad, and twenty Class III railroads in operation in North Carolina. The Class III railroads include the following four railroads which began operations in North Carolina in 1987: Aberdeen Carolina & Western Railway, Mid-Atlantic Railroad Company, North Carolina & Virginia Railroad, and the Virginia Southern Division Railroad.

Although there are twenty-three separately identified rail companies serving North Carolina, most of the state's rail transport needs are provided by two large, well-established companies. CSX Transportation, formerly Seaboard System Railroad Company, and Norfolk Southern Combined Railroad Subsidiaries, together with their affiliates, control over 90% of the track-miles located in the state. In 1986 Norfolk-Western Railway Company and Southern Railway consolidated to form Norfolk Southern Combined Railroad Subsidiaries.

B. PASSENGER SERVICE THROUGH NORTH CAROLINA

In North Carolina, railroads not only contribute to commodity movements, they also provide for intercity passenger movements. During 1987 four trains per day provided regularly scheduled passenger service. Each was owned and operated by the National Railroad Passenger Corporation (AMTRAK). AMTRAK was established in 1970 to relieve railroads of the responsibility of providing rail passenger service. When AMTRAK was formed only two railroads provided passenger service in North Carolina: Seaboard Coast Line Railroad Company (SCL), now CSX Transportation, and Southern Railway Company (SOU), now Norfolk Southern Combined Railroad Subsidaries.

AMTRAK operates over the transportation tracks of CSX and Norfolk & Southern Combined Railroad Subsidiaries. AMTRAK now operates passenger trains over the rails of SCL: Nos. 81 and 82, the Silver Star, between New York and Miami, Florida, with stops at Raleigh, Hamlet, Southern Pines, and Rocky Mount, North Carolina; Nos. 87 and 88, the Silver Meteor, between Boston, Massachusetts, and Miami, Florida serving Rocky Mount and Fayetteville, North Carolina, as conditional stops; and Nos. 89 and 90, the Palmetto, between Virginia and

Florence, South Carolina, with stops at Rocky Mount, Wilson, Selma, and Fayetteville, North Carolina.

On April 6, 1978, Southern Railway Company filed an application with the ICC to discontinue operation of its last passenger train operating in North Carolina. On or about February 1979, AMTRAK took over and began operation of the Crescent, Nos. 1 and 2, operating between Washington, D.C., and Atlanta, Georgia, which was the last independent rail service in North Carolina provided on regular schedules. The federal budget cuts made in 1981 forced major revisions in AMTRAK's overall service but did not affect service to North Carolina. With the addition of new or rebuilt equipment on all North Carolina routes, service has become more attractive and reliable; however, increased fares may be necessary to absorb the cost of these improvements.

In October 1984, AMTRAK experimented with the daily operations of a passenger train between Charlotte and Raleigh, North Carolina. This train, the Carolinian, began its journey from Charlotte to Raleigh, then on to Richmond, Virginia. In Richmond, the passengers were merged onto trains en route to New York. The AMTRAK trains in Richmond then returned to Raleigh, where passengers boarded at the station on West Cabarrus Street. From Raleigh, the Carolinian returned to Charlotte. The State government of North Carolina subsidized operations for the Carolinian in its journey between Charlotte and Raleigh. However, due to economic reasons the Carolinian ceased its operations in September 1985.

C. RAIL SAFETY ACTIVITY BY COMMISSION

During 1987 as in previous years, the Utilities Commission was very active in the investigation and surveillance of the condition of rail trackage and other rail equipment and facilities in an effort to minimize the frequency and severity of rail accidents caused by inadequate maintenance and/or malfunctioning equipment.

During the period 1973-1987, the Commission enlarged the scope of its rail safety program by the addition of three Rail Safety Engineers whose sphere of responsibility includes the inspection of all rail trackage and rail equipment in North Carolina.

The duties of these three engineers encompassed on-site inspection of track conditions and equipment and investigations of train accidents. A written report is filed concerning each inspection, and any defect found is required to be corrected. In addition to on-site inspections, these engineers also conduct inspections of company records to ensure compliance with the rail safety regulations. The Federal Railroad Administration reimburses the transportation division for approximately 16% of their expenditures in this rail safety program.

D. MOBILE AGENCY CONCEPT AND STATION CLOSING IN NORTH CAROLINA

Mobile Agency Concept

A major innnovation in rail freight transportation has been the implementation, upon Commission approval after investigation and possible hearing, of a mobile agency concept in North Carolina. This concept has replaced the fixed agent (serving one town on a five-day 40-hour week or less basis) with a mobile agent operating a special radio-equipped van, serving several small towns by highway in a given area. On a variable route six days per week, the agent calls on railroad customers in their respective places of business, rather than the customer having to go to the railroad station as in the past.

The area served by the mobile agent is also served by a special telephone system connected to a central, or base agency, station manned 13 hours per day, six days per week. This station is connected by a Telex system to a car information computer center. Any customers in the area, by dialing a special number, can talk directly to the personnel in the base agency toll

free and conduct such business with the railroad as is necessary. In addition the base agent, by using the Telex system, can relay almost immediately any car information a customer requests. The base agent, the mobile agent, and the train crews in the vicinity are in constant communication with each other by radio so that customers can be served efficiently.

This concept, with some variations, is in effect in many places throughout the State. The latest mobile agency station was approved in 1987.

Mobile Agency Station Approved

Docket No. R-29, Sub 680, 11-05-87, reclassified the Roxboro Agency Station and established Mobile Agency Route NW VA-9 at South Boston, Virginia to serve Roxboro and its nonagency stations of Hyco, Helena, Woodsdale, and Mayo Creek, North Carolina.

Stations Closing and Changes

The railroads, as in 1987, continued their activity during 1988 in consolidating their freight handling operations by requesting permission from the Utilities Commission to discontinue freight handling facilities at several locations. The requests by the companies to close or discontinue service at most of the locations are based on economic factors, with the decreasing volume of freight handled at the particular location being the main reason given.

In 1988 there were 79 station closings and changes. Figure No. 11-3 lists the changes, companies, locations, and facilities affected by the Commission action after hearings with the general public located in the respective areas.

E. RAIL CROSSINGS

There were 5,719 rail crossings in North Carolina in 1987, up from 4,812 in 1986. During 1987 there were 20 deaths and 113 injuries resulting from accidents involving highway rail crossings. In 1986 there were 18 deaths and 98 injuries resulting from accidents involving highway rail crossings. The Utilities Commission has very limited jurisdiction in the elimination of grade crossings and the erection of signaling devices at them. The Highway Commission has jurisdiction over State highway system roads and links therein, including the proration of costs of relocation and signaling devices, with a statutory provision that 90% of such costs are to be borne by the Highway Commission.

F. STATISTICAL SUMMARY DATA

Operating revenues of the Class I and II railroad companies increased 3.9% for their North Carolina operations and increased 1.4% for their total company operations in 1987 over 1986. Operating expenses increased 14.2% for their North Carolina operations and increased 10.4% for total company operations. The North Carolina operating ratio was 89.8% for the Class I and II railroad companies in 1987. The combined North Carolina operating ratio for all three classes of railroad companies in North Carolina was 98.2% in 1987, compared with 89.8% in 1986. See Figure No. 11-4.

Railway freight activity in North Carolina, as reflected by the tons of revenue freight originating in North Carolina, decreased 11.1% in 1987 over 1986. Figure No. 11-5 shows in detail the types of commodities carried by rail. Lumber, wood products, pulp paper, and chemicals were the leading commodities carried by rail in 1987. These commodities were wellsuited for the rail mode because they are characteristically bulky, high-volume, or low-value commodity types.

North Carolina's railroads constitute a well-established and significant industry. They not only support economic prosperity by contributing to state and local taxes, but they also employ many state residents. The number of employees residing in North

Carolina and working for the railroads was 4,541 at year-end 1987. The total compensation for railroad employees was over $151 million with the average salary per worker at $33,262. See Figure Nos. 11-6, 11-7, and 11-8 for additional financial and statistical data on the operation of all railroads.

FIGURE NO. 11-2
RAILROADS AUTHORIZED TO OPERATE IN NORTH CAROLINA
AS OF DECEMBER 31, 1987

Company	Main Business Office	Abbreviation	Class	Mileage Operated: North Carolina 1986	North Carolina 1987	System 1986	System 1987	1987 % in N.C
Aberdeen Carolina & Western Railway (1)	Aberdeen, N.C.	ACWR	III	N/APP.	35	N/APP.	35	100.0
Aberdeen & Rockfish Railway Co.	Aberdeen, N.C.	A&R	III	46	46	46	46	100.0
Alexander Railroad Co.	Taylorsville, N.C.	ARC	III	19	19	19	19	100.0
Atlantic & East Carolina Railway Co.	Norfolk, Va.	A&EC	III	94	94	94	94	100.0
Atlantic & Western Corp.	Sanford, N.C.	ATW	III	3	3	3	3	100.0
Beaufort & Morehead Railroad Co.	Beaufort, N.C.	B&MH	III	4	3	4	3	100.0
CSX Transportation (2)	Jacksonville, Fla.	CSX	I	1,309	1,189	40,251	38,728	3.1
Camp Lejeune Railroad Co.	Norfolk, Va.	CLRR	III	41	41	41	41	100.0
Cape Fear Railways, Inc.	Fort Bragg, N.C.	CFR	III	11	10	11	10	100.0
Carolina & Northwestern Railway Co.	Norfolk, Va.	CNW	II	625	625	750	750	83.3
Fairmont & Western Railroad Co.	Laurinburg, N.C.	FWRD	III	10	10	10	10	100.0
Franklin County Railroad Corp.	Laurinburg, N.C.	FCYR	III	10	10	10	10	100.0
High Point, Thomasville, & Denton Railroad Co.	Jacksonville, Fla.	HPT	III	34	34	34	34	100.0
Laurinburg & Southern Railroad Co.	Laurinburg, N.C.	LSR	III	28	28	28	28	100.0
Mid Atlantic Railroad Company	Chadburn, N.C.	MARC	III	N/APP.	45	N/APP.	90	50.0
Nash County Railroad Corp.	Laurinburg, N.C.	NCYR	III	20	20	20	20	100.0
Norfolk Southern Combined Railroad (3)	Norfolk, Va.	NS Rail	I	1,138	1,131	16,625	16,359	6.9
North Carolina & Virginia Railroad (4)	Ahoskie, N.C.	NCVA	III	N/APP.	N/R	N/APP.	N/R	N/R
Red Springs & Northern Railroad Co.	Laurinburg, N.C.	RSNR	III	10	10	10	10	100.0
State University Railroad Co.	Norfolk, Va.	S.T.U.	III	10	10	10	10	100.0
The Virginia Southern Division Railroad (4)	Ahoskie, N.C.	N/R	III	N/APP.	N/R	N/APP.	N/R	N/R
Warrenton Railroad Co. (5)	Warrenton, N.C.	W.R.R.	III	N/APP.	N/R	N/APP.	N/R	N/R
Winston-Salem Southbound Railway Co.	Jacksonville, Fla.	WSS	III	90	88	90	88	100.0
Total-23 Companies				3,502	3,451	58,056	56,388	6.1

N/APP. = Not applicable
N/R = No report was filed with the Commission.

(1) Aberdeen & Briarpatch was purchased by Aberdeen Carolina & Western in June 1987.
(2) CSX Transportation was formerly Seaboard System Railroad, Inc. The name was changed on July 1, 1986.
(3) a. Norfolk & Western Railway and Southern Railway Consolidated in 1986.
b. Mileage for Atlantic & East Carolina, Camp Lejeune, Carolina & Northwestern and State University Railroad Companies was listed separately & not included in the Norfolk & Southern total.
(4) This Railroad did not begin operations until November 1987.
(5) Warrenton Railroad Company is authorized to operate but has been inactive since 1984.

FIGURE NO. 11-3

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES
1988

Docket Number	Date Filed	Date Approved	Location of Facility (North Carolina)	Disposition of Facility
CAROLINA & NORTHWESTERN				
R-29, SUB 681	8-28-87	2-03-88	Eden/Draper	Retire & Remove a Track Formerly Serving Fieldcrest Mills at Eden/Draper
CSX TRANSPORTATION				
R-71, SUB 158	1-14-88	2-15-88	Gill	Retire Team Track at Gill & Amend Open & Prepay Station List to Change Gill From Public to Private Siding Status
R-71, SUB 159	2-01-88	2-23-88	Youngsville	Retire Team Track at Youngsville & Amend Open & Prepay Station List to Change Youngsville from Public to Private Siding Status
R-71, SUB 160	2-17-88	3-16-88	Charlotte, Ellensboro, Lincolnton, Mt. Holly, Stanley	Consolidate Charlotte Mobile Agencies No. 1 & 2 at Charlotte; Change Status of Stations Ellensboro, Lincolnton, Mt. Holly, & Stanley to Nonagency Stations Under the Jurisdiction of the Consolidated Mobile Agency Concept
R-71, SUB 161	2-19-88	4-06-88	Harris	Retire Team Track No. 893 at Harris & Remove from the Open & Prepay Station List
R-71, SUB 162	3-11-88	5-19-88	Southern Pines	Retire House Track at Southern Pines & Remove from the Open & Prepay Station List
R-71, SUB 163	4-04-88	5-02-88	Roanoke Rapids, Rocky Mount, Bethel-Parmele	Include Roanoke Rapids into Rocky Mount No. 1 Mobile Agency & Change Bethel-Parmele to Non-agency Status Under Jurisdiction of Rocky Mount No. 1 Mobile Agency
R-71, SUB 164	4-11-88	5-19-88	Everetts	Retire Team Track at Everetts & Remove From the Open & Prepay Station List
R-71, SUB 167	7-11-88	8-17-88	Plymouth, Rocky Mount	Change the Status of Plymouth to a Nonagency Station Under the Jurisdiction of the Rocky Mount Transportation Service Center
SOUTHERN RAILWAY COMPANY				
R-29, SUB 647	2-24-87	3-24-88	Draper	Retire & Remove a Track Located at Mile Post 22-L, Formerly Serving Hopkins Coal & Wood Co. at Draper
R-29, SUB 656	11-24-87	2-03-88	Charlotte	Retire & Remove Track No. 1-15 Near Mile Post R-1 at Charlotte
R-29, SUB 662	5-26-87	3-24-88	Charlotte	Retire & Remove the Railway-Owned Portion of a Track, Formerly Serving Acker-Baugh at Charlotte
R-29, SUB 668	6-23-87	8-03-88	Hendersonville	Retire & Remove Track No. 3-2, Formerly Serving Belding Corticelli Thread Co. at Hendersonville
R-29, SUB 672	7-17-87	4-27-88	Charlotte	Retire & Remove Spur Track Beginning at a Point 2964 Feet Southwest of Milepost R-1, Formerly Serving Welders Supply at Charlotte

FIGURE NO. 11-3 CONTINUED

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES
1988

Docket Number	Date Filed	Date Approved	Location of Facility (North Carolina)	Disposition of Facility
			SOUTHERN RAILWAY COMPANY	
R-29, SUB 672	7-17-87	8-25-87	Charlotte	Retire & Remove Track No. 2-2, Mile Post R-1.9, Formerly Serving A.L. Welders at Charlotte
R-29, SUB 672	7-17-87	8-25-87	Charlotte	Retire & Remove Track No. 4-7, Mile Post R-3.7, Formerly Serving Piedmont Natural Gas Company at Charlotte
R-29, SUB 672	7-17-87	8-25-87	Charlotte	Retire & Remove Track No. 3-3, Mile Post R-2.8, Formerly Serving Hunter & Walden Company at Charlotte
R-29, SUB 672	7-17-87	8-19-87	Charlotte	Retire & Remove Track No. 376-37, Located at Mile Post 376, Formerly Serving Harper-Crawford at Charlotte
R-29, SUB 672	7-17-87	8-19-87	Charlotte	Retire & Remove Track No. 2-10, Mile Post R-2.0, Formerly Serving Rea Construction at Charlotte
R-29, SUB 672	7-17-87	8-19-87	Charlotte	Retire & Remove Track No. 2-17, Mile Post R-1.1, Formerly Serving Ferguson Supply at Charlotte
R-29, SUB 672	7-17-87	7-29-87	Charlotte	Retire & Remove Track No. 4-10, Mile Post R-3.7, Formerly Serving Naturecraft at Charlotte
R-29, SUB 672	7-17-87	7-30-87	Charlotte	Retire & Remove Track No. 1-17, Mile Post R-0.7, Formerly Serving Chapman-Harkey Co. at Charlotte
R-29, SUB 672	7-17-87	7-30-87	Charlotte	Retire & Remove Track No. 2-3, Mile Post R-1.2, Formerly Serving Schwartz Steel at Charlotte
R-29, SUB 672	7-17-87	7-28-87	Charlotte	Retire & Remove Track No. 6-5, Mile Post R-2.6, Formerly Serving Metal Service Corp. at Charlotte
R-29, SUB 672	7-17-87	8-10-87	Charlotte	Retire & Remove Track No. 1-14, the Park Avenue Team Track, Located at Mile Post R-0.8 at Charlotte
R-29, SUB 672	7-17-87	8-19-87	Charlotte	Retire & Remove Track No. 3-5, Mile Post R-2.1, Formerly Serving Frye Copy Systems at Charlotte
R-29, SUB 672	7-17-87	8-19-87	Charlotte	Retire & Remove Track No. 367-41, Formerly Serving McNeil Paper Company at Charlotte
R-29, SUB 672	7-17-87	8-18-87	Charlotte	Retire & Remove Track No. 6-6, Mile Post R-4.2, Formerly Serving Can't Strip Manufacturing at Charlotte
R-29, SUB 672	7-17-87	8-18-87	Charlotte	Retire & Remove Track No. 376-63, Formerly Serving Unfinished Furniture at Charlotte
R-29, SUB 672	7-17-87	8-18-87	Charlotte	Retire & Remove Track No. 1-15, Mile Post R-0.9, Formerly Serving Carolina-Virginia Distributors at Charlotte
R-29, SUB 673-676	8-05-87	1-20-88	Elkin, Mocksville, Rural Hall	Close Agency Stations at Elkin & Mocksville, Add Nonagency Stations at Rural Hall, Abolish Mobile Agency Route SOU-NC-4, and Revise Mobile Agency Route SOU-NC-6
R-29, SUB 682	9-14-87	1-29-88	Gulf	Retire & Remove Railway-Owned Track No. 120-1, Formerly Serving Ponona Terra Cotta Company at Gulf

FIGURE NO. 11-3 CONTINUED

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES
1988

Docket Number	Date Filed	Date Approved	Location of Facility (North Carolina)	Disposition of Facility
			SOUTHERN RAILWAY COMPANY	
R-29, SUB 683	10-27-87	6-06-88	Rhodhiss	Abandon the Nonagency Station of Rhodhiss and Remove the Station From the Open & Prepay Station List
R-29, SUB 684	12-01-87	1-07-88	Charlotte	Retire & Remove Track No. 2-1 (Old R Line), at Mile Post R 1.1, Formerly Serving Parks Cramer at Charlotte
R-29, SUB 686	9-30-87	1-29-88	Greensboro	Retire & Remove Railway-Owned Track No. 70-1, (Mile Post CF-68), Formerly Serving Greensboro Bonded Warehouse, Inc. at Greensboro
R-29, SUB 690	2-04-88	5-12-88	Lenoir, Hickory, Rhondiss	Close Agency Station At Lenoir; Revise Mobile Agency Route SOU NC-7 (Based at Hickory) to Serve Lenoir and Its Nonagency Station of Rhondiss; Add Saw Mills to Those Prepay Stations Governed By the Agency Station at Hickory
R-29, SUB 691	1-15-88	5-13-88	Kannapolis, Badin, Landis, China Grove, Sumner Siding, Concord, Harrisburg, Charlotte	Close Agency Station at Kannapolis; Revise Mobile Agency Route SOU NC-10 (Based at Badin) to Serve Kannapolis & the Prepay Stations of Landis, China Grove & Sumner Siding, All Presently Governed By Kannapolis; Add Concord & Harrisburg to Those Nonagency Stations Presently Governed By the Agency Station at Charlotte
R-29, SUB 692	12-18-87	7-13-88	Friendship	Retire & Remove Track No. 5-2 Located at Chimney Rock Road Crossing, at Mile Post K-4.59, Formerly Serving The Texas Company Near Friendship
R-29, SUB 693	2-04-88	6-14-88	Goldsboro	Retire & Remove 203 Feet of Track Formerly Serving Earl Thompson, Inc. at Goldsboro
R-29, SUB 697	4-05-88	6-03-88	Greensboro	Retire & Remove Track No. 70-9, Mile Post CF-68.7, Formerly Serving Brooks Lumber Company at Greensboro
R-29, SUB 700	3-10-88	7-13-88	Greensboro	Retire & Remove Track No. 284-37, Formerly Serving Rucker Wholesale Company, At Mile Post 283.5 at Greensboro
R-29, SUB 701	6-14-88	8-30-88	Henderson	Retire & Remove Track No. 20-4, at Mile Post W-19.8 at Henderson
R-29, SUB 703	7-01-88	10-07-88	Ponona	Retire & Remove Track No. 288-1, Formerly Serving Thompson-Arthur Paving Company at Ponona
R-29, SUB 704	5-19-88	7-13-88	Greensboro	Retire & Remove Track No. 71-6, at Mile Post CF-70, Formerly Serving Farmers Cooperative Exchange, Inc. at Greensboro
R-29, SUB 705	4-28-88	6-30-88	High Point	Retire & Remove Track No. 3-6, Formerly Serving E.R. Carpenter Company Located at Mile Post M2.7 at High Point

FIGURE NO. 11-3 CONTINUED

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES
1988

Docket Number	Date Filed	Date Approved	Location of Facility (North Carolina)	Disposition of Facility
			SOUTHERN RAILWAY COMPANY	
R-29, SUB 707	5-19-88	6-03-88	Greensboro	Retire & Remove Track No. 66-2, Formerly Serving W.P. Ballard Company at Greensboro
R-29, SUB 708	5-19-88	6-03-88	Henderson	Retire & Remove Track No. 13-5, at Mile Post I-12.5, Formerly Serving McCracken Oil Company at Henderson
R-29, SUB 709	5-26-88	6-08-88	Winston-Salem	Retire & Remove Track No. 26-19, Formerly Serving R.J. Reynolds Tobacco Company at Winston-Salem
R-29, SUB 711	6-06-88	6-15-88	Greensboro	Retire & Remove Track No. M2-16, Formerly Serving Piedmont Motor Parts, Inc. at Greensboro
R-29, SUB 712	5-26-88	7-13-88	High Point	Retire & Remove Track No. M-2-5, Mile Post M1.6 (High Point Beltline), Formerly Serving Farmers Cooperative Exchange, Inc. at High Point
R-29, SUB 713	5-26-88	10-07-88	High Point	Retire & Remove Track No. 1-6, at Mile Post 299, Formerly Serving Casard Furniture Manufacturing Company at High Point
R-29, SUB 714	7-26-88	8-31-88	High Point	Retire & Remove Track No. 300-14, at Mile Post 299.9, Formerly Serving Myrtle Desk Company at High Point
R-29, SUB 715	7-15-88	8-26-88	Raleigh	Retire & Remove Track at Mile Post 229.5, Formerly Serving Westinghouse Electric Corp. at Raleigh
R-29, SUB 716	7-11-88	7-15-88	Siler City	Retire & Remove Track No. 105-3, at Mile Post CF 104.4, Formerly Serving Siler City Mills at Siler City
R-29, SUB 717	7-26-88	8-12-88	High Point	Retire & Remove Track No. M-2-4, at Mile Post 1.6, Formerly Serving Granville Bonded Warehouse at High Point
R-29, SUB 718	7-26-88	8-11-88	High Point	Retire & Remove Track at Mile Post 0.9, Formerly Serving Childers Concrete Company at High Point
R-29, SUB 719	7-26-88	8-17-88	Winston-Salem	Retire & Remove Track No. 3-5 at Mile Post L3-514, Formerly Serving Eli Witt, Taylor Oil & Carolina Marble & Tile Company at Winston-Salem
R-29, SUB 720	7-18-88	8-17-88	Charlotte	Retire & Remove the Track Located 2,420 Feet South of Mile Post 386, Formerly Serving Newco Fibre Company at Charlotte
R-29, SUB 721	7-15-88	8-11-88	Henderson	Retire & Remove Track No. 14-2 at Mile Post I-13.8, Formerly Serving Falkner Coal Company at Henderson
R-29, SUB 723	7-15-88	8-26-88	Wilson	Retire & Remove Track at Mile Post NS 181.9, Formerly Serving American Tobacco (Export Leaf Company) at Wilson
R-29, SUB 724	7-05-88	10-07-88	Greensboro	Retire & Remove the Railway-Owned Portion of Track Nos. 1 & 2 at Mile Post CF66, Formerly Serving Sears Roebuck & Company at Greensboro

FIGURE NO. 11-3 CONTINUED

RETIREMENT, ABANDONMENT, AND RELOCATION OF STATIONS AND FACILITIES
1988

Docket Number	Date Filed	Date Approved	Location of Facility (North Carolina)	Disposition of Facility
			SOUTHERN RAILWAY COMPANY	
R-29, SUB 727	7-26-88	9-02-88	Greenville	Retire & Remove Track at Mile Post 148.1, Formerly Serving Blount Fertilizer Company at Greenville
R-29, SUB 728	7-26-88	8-11-88	Bailey	Retire & Remove Track at Mile Post 196.2, Formerly Serving W.H. Farmer & Brother, Inc. at Bailey
R-29, SUB 729	11-01-88	12-01-88	Reidsville	Retire & Remove Track No. 261-11, at Mile Post 261.0, Formerly Serving North Carolina Gas Company at Reidsville
R-29, SUB 730	7-28-88	8-26-88	Durham	Retire & Remove Track No. 54-1, at Mile Post H 53.4, Formerly Serving Erwin Cotton Mills at Durham
R-29, SUB 731	10-21-88	12-02-88	Pelham	Retire & Remove Company Track No. 245-2, at Mile Post 244.1, at Pelham
R-29, SUB 732	7-26-88	8-11-88	Greenville	Retire & Remove Track at Mile Post 148.7, Formerly Serving Ormond Wholesale Company at Greenville
R-29, SUB 735	8-19-88	10-31-88	Reidsville, Danville, Pelham, Ruffin, Pennrington, Benaka Brown Summit, Greensboro	Close Agency Station at Reidsville; Revise Mobile Agency Route SOU VA NC-7 (Based at Danville, Virginia) to Serve Reidsville & the Prepay Stations of Pelham, Ruffin, Pennrington , & Benaka, Presently Governed By Reidsville; Add Brown Summit to Those Nonagency Stations Governed By the Agency Station at Greensboro
R-29, SUB 737	8-15-88	8-22-88	Durham	Retire & Remove Track No. 55-9 at Mile Post H 54.6, Formerly Serving American International Furniture Company at Durham
R-29, SUB 738	8-15-88	10-20-88	Rural Hall	Retire & Remove Track No. 38-1 at Mile Post X 37.9, Formerly Serving Rural Hall Veneer Company at Rural Hall
R-29, SUB 740	11-9-88	12-02-88	Ranlo	Retire & Remove Track at Mile Post 396, Formerly Serving Rudisill Enterprises at Ranlo
R-29, SUB 741	9-23-88	11-21-88	Princeton	Retire & Remove Track No. 118-1 at Mile Post 117.8 at Princeton
R-29, SUB 744	10-13-88	10-21-88	Greensboro	Retire & Remove Track No. 287-56C at Mile Post 286.5, Formerly Serving Dow Corning Corporation at Greensboro
R-29, SUB 746	10-13-88	11-02-88	Occoneechee	Retire & Remove Track No. 42-1 at Mile Post H 41.8, Formerly Serving White Furniture Company at Occoneechee
R-29, SUB 747	10-13-88	10-20-88	Greenville	Retire & Remove Track at Mile Post MS 148.6, Formerly Serving Hurst Concrete at Greenville
R-29, SUB 748	10-13-88	10-20-88	Ponona	Retire & Remove Track at Mile Post 286.5, Formerly Serving Binswanger Glass Company at Ponona

FIGURE NO. 11-4

Railroad Classes I, II, & III
(North Carolina Data Only)
OPERATING REVENUES, EXPENSES & RATIOS
For the Years 1960, 1965, 1970, 1975, 1980, 1984, 1985, 1986, & 1987

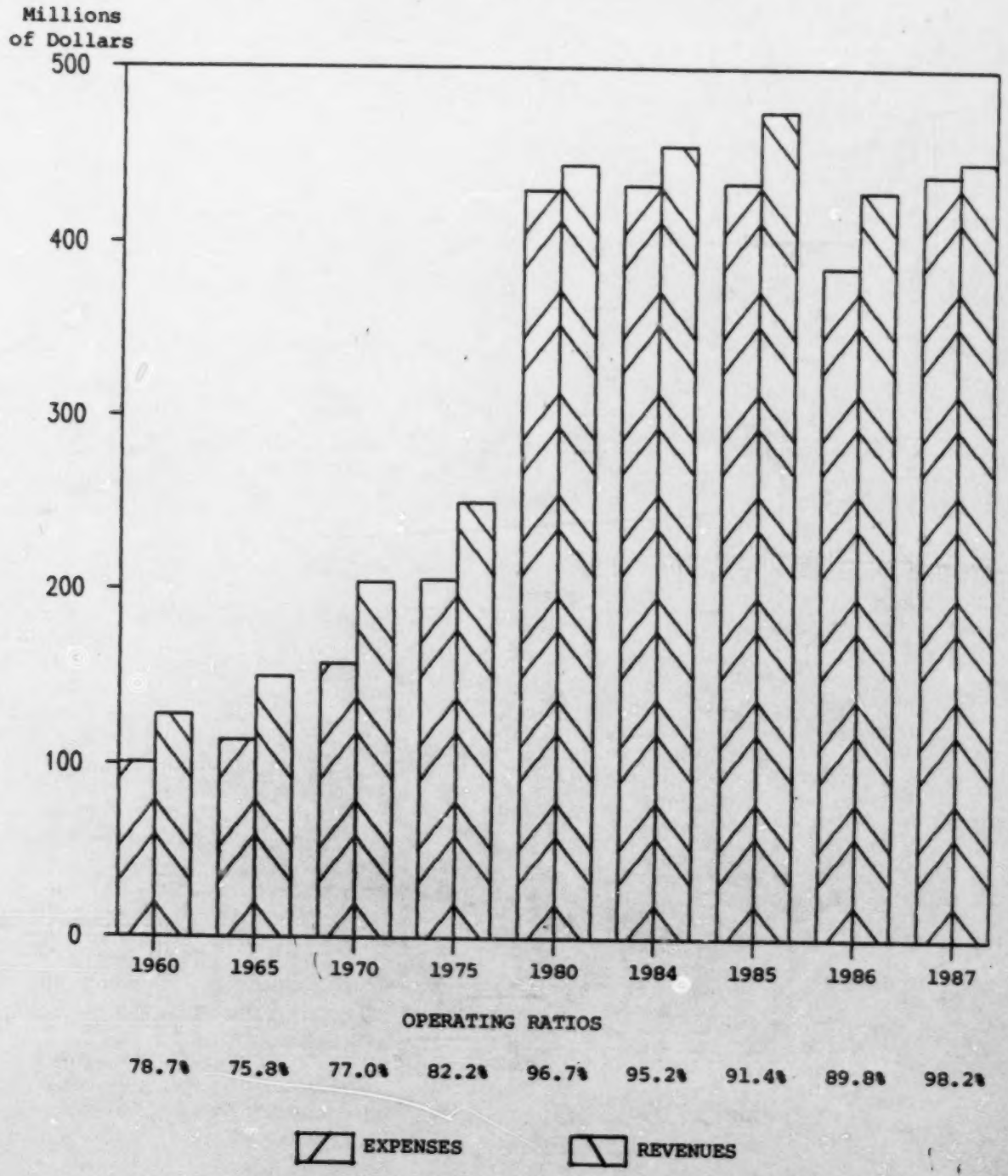


FIGURE NO. II-5

TONS (2000 LBS.) OF REVENUE FREIGHT BY COMMODITY TYPE ORIGINATING IN NORTH CAROLINA
ON THE CLASS I, II, AND III RAILROADS UNDER REGULATION AT DECEMBER 31, 1987

	Group & Commodity	Class I	Class II	Class III	Grand Total
01	Farm Products	197,252	260,325	115,534	573,111
08	Forest Products	22		446,434	446,456
09	Fresh Fish & Other Marine Products	0		0	0
10	Metallic Ores	0		14,030	14,030
11	Coal	878		0	878
13	Crude, Petro, Nat. Gas & Nat. GSLN	0		0	0
14	Nonmetallic Minerals Except Fuels	1,956,423	208,811	81,020	2,246,254
19	Ordinance & Accessories	32,567		2,098	34,665
20	Food & Kindred Products	834,993	340,990	672	1,176,655
21	Tobacco Products	34,095	7,963	0	42,058
22	Textile Mill Products	44,970	146	0	45,116
23	Apparel & Other Finish. Textile PRD, JNC Knit	1,554		0	1,554
24	Lumber & Wood Products Except. Furn.	3,163,477	65,002	51,958	3,280,437
25	Furniture & Fixtures	79,651	17,943	0	97,594
26	Pulp, Paper, & Allied Products	1,747,451	190,275	106	1,937,832
27	Printed Matter	116		0	116
28	Chemicals & Allied Products	2,042,102	296,941	26,046	2,365,089
29	Petroleum & Coal Products	6,514	1,668	535,069	543,251
30	Rubber & Miscellaneous Plastic Products	80,241	24,582	0	104,823
31	Leather & Leather Products	130		0	130
32	Stone, Clay, Glass, & Concrete Products	926,596	352,084	306	1,278,986
33	Primary Metal Products	75,960	65,814	913	142,687
34	Fabr. Metal Prod. Exc. Ordn. Mach. & Transpt.	11,250	157	0	11,407
35	Machinery, Except Electrical	5,697		116	5,813
36	Electrical Machinery, Equip. & Supplies	5,542	1,289	24	6,855
37	Transportation Equipment	6,791	5,076	1,104	12,971
38	Instruments, Phot. & Optical GD, Watches	200		0	200
39	Miscellaneous Products of Manufacturing	892		112,260	113,152
40	Waste & Scrap Material	650,864	72,733	5,306	728,903
41	Miscellaneous Freight Shipments	12,990	205	6,202	19,397
42	Containers, Shipping Returned Empty	41,978	188	0	42,166
44	Freight Forwarder Traffic	830		0	830
45	Shipper Assoc. or Similar Traffic	29,255		0	29,255
46	Misc. Mixed Shipment Exc. Fwd. & Ship Assoc.	303,483	131	1,425	305,039
47	Small Package (LCL)	0		0	0
	Other	33,620	154,693	934	189,247
Grand Total		12,328,384	2,067,016	1,401,557	15,796,957

FIGURE NO. 11-6

RAILROADS--CLASS I AND II--SUMMARY OF SELECTED DATA--INCOME, EXPENSES, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1960, 1965, 1970, 1975, 1980, 1984, 1985, 1986, 1987
(Dollars in Thousands)

ITEM	ALLOCATION OF DATA	1960	1965	1970	1975	1980	1984	1985	1986	1987	% CHANGE 1987-1986
No. of Companies Covered by Data		8	8	6	6	6	4	4	3 (1)	3 (1)	
Income & Expense Items:											
Operating Revenues	N.C.	$120,401	$140,781	$192,795	$237,456	$424,893	$437,461	$465,010	$416,534	$426,588	3.9
	Total	$1,083,951	$1,592,074	$2,072,069	$2,838,455	$5,831,268	$5,651,586	$6,111,793	$7,851,905	$7,964,382	1.4
Operating Expenses	N.C.	$95,518	$107,743	$150,734	$197,725	$412,898	$419,446	$427,386	$369,895	$422,397	14.2
	Total	$866,136	$1,141,031	$1,536,621	$2,127,880	$4,327,113	$4,734,373	$5,443,219	$6,642,779	$7,331,365	10.4
Net Operating Income	N.C.	$24,883	$32,958	$42,061	$39,731	$11,995	$18,015	$37,624	$40,639	$4,191	(89.7)
Before Taxes	Total	$217,815	$451,043	$535,448	$710,575	$704,155	$917,213	$668,574	$1,209,126	$632,937	(47.7)
Fixed Charges	Total	48,233	82,308	123,631	155,983	192,466	171,886	167,372	241,293	245,892	1.9
Other Income (Deductions)	Total	(40,919)	(186,385)	(229,387)	(301,958)	135,765	392,797	232,153	408,831	72,751	(82.2)
Taxes (2)	Total	N/APL.	N/APL.	N/APL.	N/APL.	N/APL.	370,881	246,829	541,885	96,838	(82.1)
Net Income	Total	$120,663	$182,430	$182,430	$252,814	$647,454	$760,843	$486,526	$834,059	$362,958	(56.5)
State Income Tax	N.C.	N/A	$412	$370	$504	$2,611	$565	$1,238	$4,347	$3,880	(10.7)
Real Estate/Personal Property Taxes	N.C.	N/A	3,394	3,836	3,420	4,417	7,372	4,913	2,539	3,345	31.7
Other N.C. Taxes	N.C.	N/A	758	2,625	4,279	5,240	3,447	5,128	2,430	2,265	(6.8)
Total Taxes Paid or Accrued	N.C.	N/A	$4,564	$6,831	$8,203	$12,268	$11,384	$11,279	$9,316	$9,490	1.9
Operating Ratio	N.C.	79.3%	76.6%	78.2%	83.3%	97.2%	95.9%	91.9%	90.1%	99.0%	9.9
	Total	79.9%	71.7%	74.2%	75.0%	86.0%	83.8%	89.1%	84.6%	92.1%	8.8
BALANCE SHEET ITEMS:											
Net Book Value--Transportation Property	Total	$2,873,580	$3,816,261	$4,597,303	$5,116,622	$6,282,901	$8,415,841	$10,709,280	$14,689,687	$14,744,189	0.4
STATISTICS:											
Average Miles of Road Operated	N.C.	3,722	3,743	3,705	3,691	3,646	3,218	3,931	2,952	2,945	(0.2)
	Total	25,434	30,343	29,873	30,310	29,706	28,788	32,547	56,183	55,837	(0.5)
Freight Revenue	N.C.	$104,098	$130,134	$181,827	$230,248	$406,338	$428,787	$454,429	$405,978	$416,569	2.6
	Total	$958,647	$1,449,866	$1,972,758	$2,751,770	$4,035,219	$5,499,668	$5,945,149	$7,613,661	$7,725,596	1.5
Tons of Revenue Freight Hauled (000s)	N.C.	63,636	86,772	107,529	99,148	118,441	99,535	111,341	99,905	109,409	9.5
	Total	348,481	506,387	559,173	635,355	586,593	517,790	530,873	691,235	667,096	(3.5)
Freight Revenue Per Ton	N.C.	$1.64	$1.50	$1.68	$2.32	$3.43	$4.31	$4.09	$4.06	$3.81	(6.3)
	Total	$2.75	$2.86	$3.53	$4.33	$8.33	$10.62	$11.20	$11.01	$11.58	5.1
Gallons Diesel Fuel Purchased or Used (000s)	N.C.	41,614	49,949	59,518	59,748	66,717	51,453	47,171	48,198	58,792	22.0
No. of Employees Allocated (3)	N.C.	9,978	7,802	6,926	6,556	6,822	5,993	5,314	4,985	4,386	(12.2)
Total Compensation of Employees (000s)	N.C.	$56,258	$53,604	$66,378	$92,090	$138,716	$160,162	$152,542	$134,881	$146,163	8.4
Average Annual Compensation/Employee	N.C.	$5,163	$6,871	$9,584	$14,169	$20,334	$26,725	$28,706	$27,499	$33,944	23.4
Highway Railroad Grade Crossings	N.C.	3,779	3,448	3,498	3,475	6,121	5,064	4,373	4,286	5,092	18.8
No. Killed--Grade Crossing Accidents	N.C.	N/A	57	39	25	34	16	11	17	20	17.6
No. Injured--Grade Crossing Accidents	N.C.	N/A	133	175	129	95	71	84	96	106	10.4

(1) There were two Class I Railroad Companies and one Class II Railroad Company in operation. See Figure No. 11-2 for a listing of the Railroad Companies.
(2) Taxes have not been broken down for the total company for 1984.
(3) Estimates for 1984

FIGURE NO. 11-7

RAILROADS--CLASS III SUMMARY OF SELECTED DATA--INCOME, EXPENSES, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1960, 1965, 1970, 1975, 1980, 1984, 1985, 1986, 1987
(Dollars in Thousands)

ITEM	Allocation of Data	1960	1965	1970	1975	1980	1984	1985	1986	1987	% Change 1987-1986
No. of Companies Covered by Data:		21	21	17	17	15	16	12	15	16 (1)	
INCOME & EXPENSE ITEMS:											
Operating Revenues	N.C.	$7,104	$8,619	$11,603	$12,702	$19,967	$18,456	$10,592	$19,027	$21,567	8.8
	Total	$9,913	$11,390	$16,371	$17,450	$26,655	$18,456	$10,592	$19,027	$22,370	12.8
Operating Expenses	N.C.	$4,771	$5,483	$6,630	$7,827	$17,396	$14,362	$7,349	$16,584	$17,535	5.7
	Total	$6,888	$7,624	$9,862	$10,585	$23,497	$14,362	$7,349	$16,584	$18,186	9.7
Net Operating Income	N.C.	$2,333	$3,136	$4,973	$4,875	$2,571	$4,094	$3,243	$3,243	$4,032	24.3
Before Taxes	Total	$3,025	$3,766	$6,509	$6,873	$3,158	$4,094	$3,243	$3,243	$4,184	29.0
Fixed Charges	Total	485	615	1,227	492	249	936	890	258	143	(44.6)
Other Income (Deductions)	Total	(2,751)	(2,752)	(3,524)	(4,390)	(47)	229	374	(1,476)	(1,027)	(30.4)
Taxes	Total	N/A	523	1,121	361	356	1,338	731	820	1,366	66.6
Net Income	Total	($211)	($124)	$637	$1,630	$2,586	$2,049	$1,996	$689	$1,648	139.2
State Income Tax	N.C.	N/A	$35	$129	$116	$166	$189	$118	$167	$292	74.9
Real Estate/Pers. Prop. Taxes	N.C.	N/A	157	122	133	74	54	88	91	91	0.0
Other N.C. Taxes	N.C.	N/A	331	870	112	116	1,095	525	349	965	176.5
Total Taxes Paid or Accrued	N.C.	N/A	$523	$1,121	$361	$356	$1,338	$731	$607	$1,348	122.1
Operating Ratio (Percent)	N.C.	67.2	63.6	57.1	61.6	87.1	77.8	69.4	83.6	81.3	(2.8)
	Total	69.5	66.9	60.2	60.6	88.2	77.8	69.4	83.6	81.3	(2.8)
BALANCE SHEET ITEM:											
Net Book Value--Transportation Property(2)	Total	$11,797	$17,799	$22,007	$16,235	$10,315	$16,131	$9,713	$13,485	$30,904	99.9
STATISTICS:											
Average Miles of Road Operated	N.C.	697	721	635	478	425	249	294	430	471	9.5
	Total	1,037	1,029	645	661	583	249	294	430	516	20.0
Freight Revenue (000s)	N.C.	$6,930	$8,261	$11,442	$12,226	$17,457	$16,440	$9,082	$22,248	$18,118	(18.6)
	Total	$9,696	$10,954	$15,830	$17,043	$23,632	$16,440	$9,082	$22,248	$18,897	(15.1)
Tons of Revenue Freight Hauled (000s)	N.C.	7,348	9,961	11,155	7,542	6,987	5,263	3,001	5,012	6,562	30.9
	Total	9,009	11,464	13,444	9,515	8,587	5,263	3,001	5,012	7,431	48.3
Freight Revenue Per Ton	N.C.	$0.94	$0.83	$1.03	$1.62	$2.50	$3.12	$3.03	$4.44	$2.76	(37.8)
	Total	$1.08	$0.96	$1.18	$1.79	$2.75	$3.12	$3.03	$4.44	$2.54	(42.7)
Gal. Diesel Fuel Purchased or Used (000s)	N.C.	1,286	1,757	2,271	1,725	2,132	430	1,695	171	518	202.9
No. of Employees Allocated	N.C.	599	584	414	313	209	190	114	167	235	40.7
Total Compensation of Employees (000s)	N.C.	$2,514	$2,851	$3,089	$3,335	$3,906	$4,195	$2,361	$3,136	$4,878	55.5
Average Annual Compensation/Employee	N.C.	$4,197	$4,882	$7,461	$10,655	$18,689	$22,079	$20,711	$18,770	$20,757	10.5
Highway Railroad Grade Crossings	N.C.	640	973	864	589	644	411	252	526	627	19.2
No. Killed--Grade Crossing Accidents	N.C.	N/A	7	0	0	0	0	0	1	0	(100.0)
No. Injured--Grade Crossing Accidents	N.C.	N/A	11	0	6	1	0	5	2	7	250.0

(1) The following Class III Railroad Companies did not file any data with the North Carolina Utilities Commission: Aberdeen Carolina & Western, North Carolina & Virginia, The Virginia Southern Division & Durrenton Railroads.
(2) Net book value increased in 1987 due to thirteen companies reporting values in 1987 and only ten reporting values in 1986.

FIGURE NO. 11-8
RAILROADS--GRAND TOTALS--CLASSES I, II, AND III
SUMMARY OF SELECTED DATA--INCOME, EXPENSES, BALANCE SHEET, AND STATISTICAL ITEMS
For the Calendar Years 1960, 1965, 1970, 1975, 1980, 1984, 1985, 1986, 1987
(Dollars in Thousands)

ITEM	ALLOCATION	1960	1965	1970	1975	1980	1984	1985	1986	1987	% Change 1987-1986
No. of Companies Covered by Data:(1)		29	29	23	23	21	20	18	18	19	
INCOME & EXPENSE ITEMS:											
Operating Revenues	N.C.	$127,505	$149,320	$204,398	$250,158	$444,860	$455,917	$475,682	$430,361	$448,155	4.1
	Total	$1,093,864	$1,603,464	$2,088,440	$2,855,913	$5,057,923	$5,670,042	$6,122,385	$7,871,732	$7,986,672	1.5
Operating Expenses (2)	N.C.	100,289	113,226	157,364	205,552	430,294	433,898	434,735	386,479	439,932	13.8
	Total	873,024	1,148,655	1,546,483	2,138,465	4,350,610	4,748,735	5,450,568	6,659,363	7,349,551	10.4
Net Operating Income	N.C.	$27,216	$36,094	$47,034	$44,606	$14,566	$22,109	$40,867	$43,882	$8,223	(81.3)
Before Taxes	Total	$220,840	$454,809	$541,957	$717,448	$707,313	$921,307	$671,817	$1,212,369	$637,121	(47.4)
Fixed Charges	Total	48,718	82,923	124,858	156,395	192,715	172,022	168,262	241,551	246,835	1.9
Other Income (Deductions)	Total	79,734	102,194	59,330	98,410	457,601	393,023	232,527	406,555	71,724	(82.4)
Taxes (3)	Total	N/A	N/A	N/A	N/A	N/A	378,881	247,560	542,625	98,204	(81.9)
Net Income	Total	$128,452	$185,117	$184,188	$254,805	$650,316	$763,427	$488,522	$834,748	$364,686	(56.3)
State Income Tax	N.C.	N/A	$447	$499	$700	$2,777	$754	$1,356	$4,514	$4,172	(7.6)
Real Estate/Personal Property Taxes	N.C.	N/A	3,551	3,158	3,554	4,491	7,426	5,001	2,630	3,436	30.6
Other N.C. Taxes (4)	N.C.	N/A	1,089	3,494	4,391	5,356	4,527	5,653	2,779	3,230	16.2
Total Taxes Paid or Accrued	N.C.	N/A	$5,087	$7,151	$8,645	$12,624	$12,722	$12,010	$9,923	$10,838	9.2
Operating Ratio (5)	N.C.	78.7%	75.8%	77.0%	82.2%	96.7%	95.2%	91.4%	89.8%	98.2%	9.3
	Total	79.8%	71.6%	74.0%	74.9%	86.0%	83.8%	89.0%	84.6%	92.0%	8.8
BALANCE SHEET ITEMS:											
Net Book Value--Transportation Property	Total	$2,805,385	$3,834,060	$4,619,310	$5,132,857	$6,221,216	$8,431,972	$10,718,913	$14,703,172	$14,774,993	0.5
STATISTICS:											
Average Miles of Road Operated	N.C.	4,419	4,464	4,340	4,169	4,071	3,467	4,225	3,382	3,416	1.0
	Total	26,471	31,371	30,818	30,917	30,289	29,029	32,841	56,533	56,353	(0.3)
Freight Revenue	N.C.	$111,028	$138,395	$192,469	$242,474	$423,795	$445,227	$463,511	$428,226	$434,687	1.5
	Total	$968,343	$1,460,820	$1,988,589	$2,768,813	$4,908,851	$5,516,108	$5,954,231	$7,635,909	$7,744,493	1.4
Tons of Revenue Freight Hauled (000s)	N.C.	70,984	96,733	118,684	106,682	125,428	104,798	114,342	104,917	115,971	10.5
	Total	357,490	517,771	572,617	644,870	595,180	523,053	533,874	696,247	674,527	(3.1)
Freight Revenue Per Ton	N.C.	$1.56	$1.43	$1.62	$2.27	$3.38	$4.25	$4.05	$4.08	$3.75	(8.2)
	Total	$2.71	$2.82	$3.47	$4.29	$8.25	$10.55	$11.15	$10.97	$11.48	4.7
Gallons Diesel Fuel Purchased or Used (000s)	N.C.	42,900	51,706	61,789	61,473	60,849	51,883	48,866	48,369	59,310	22.6
No. of Employees Allocated (6)	N.C.	10,577	8,386	7,340	6,869	7,031	6,183	5,428	5,072	4,541	(10.5)
Total Compensation of Employees (000s) (6)	N.C.	$58,772	$56,455	$69,467	$96,225	$142,622	$160,162	$154,903	$138,017	$151,041	9.4
Average Annual Compensation/Employee (6)	N.C.	$5,557	$6,732	$9,464	$14,009	$20,285	$25,904	$28,538	$27,212	$33,262	22.2
Highway Railroad Grade Crossings	N.C.	4,419	4,421	4,362	4,064	6,765	5,475	4,625	4,812	5,719	18.8
No. Killed--Grade Crossings Accidents	N.C.	N/A	64	39	25	34	16	11	18	20	11.1
No. Injured--Grade Crossing Accidents	N.C.	N/A	144	103	135	96	71	89	98	113	15.3

(1) Class III Railroads were exempted from filing an annual report with the North Caroline Utilities Commission (Docket No. R-26, Sub 29, March 5, 1982); therefore some figures may not reflect all the Railroads.
(2) Before tax accruals and net rent (3) Taxes have not been broken down for the total company until 1984. (4) Includes franchise tax (5) Effective 1-1-78, Class I & II Railroads began recording their operations in conformance with the revised Uniform System of Accounts, resulting in expense reclassifications which affected the net revenue and the operating ratio. This change is reflected in the periods after 1975. The prior years were not restated to reflect the changes. (6) Estimate for 1984